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The Nation's Business

Bank Merger is Now in Effect
Service to Public is Assured
Nevertheless Ottawa Threatens a Storm
Suggestion for Robb

THE BANK MERGER

THE Commerce-Standard bank merger is now an accomplished fact and Canada has a third bank with assets in excess of $ 00,000,000. The enlarged Canadian Bank of Commerce enjoys, as a result of the merger, an expanded field of service and it may be accepted that the officials of that bank will utilize their greater power for the benefit of Canadian business.

The final phase at Ottawa was marked by rather acute differences of opinion in the cabinet and by an official statement from Hon. J. A. Robb, minister of finance, which raised further doubts as to the real position of the Standard Bank before the merger.

* * *

THE differences of opinion in the cabinet were undoubtedly very threatening and might easily have resulted in an indefinite postponement of final action had not the issue been placed in a new light by the minister of finance, who, The Financial Post is informed, told his colleagues that he would decline to accept responsibility for what might happen if his advice were not accepted. Upon his advice, then, the order-in-council ratifying the merger went through. As a matter of fact, it may be questioned if the merger was not through as soon as the banks were given permission to negotiate. If it was not an assured fact then, it certainly became one when Mr. Robb remarked in Toronto some weeks ago that, hang it all, a finance minister should not be required to tell all he knows. After such a remark, if the merger had not been ratified there would probably have been a flight of depositors, borrowers and shareholders from the Standard Bank and what little the officials of the bank could have done to reassure the public would probably have been of small avail.

* * *

MR. ROBB'S various remarks have left in the public mind an impression that the audits carried out by the finance department revealed grave weaknesses in the assets of the Standard Bank. These might not be reflected in annual statements and might be known only to a few senior officials of the bank.

It is quite possible that the fears raised by Mr. Robb's sundry remarks may be quite exaggerated. If this is the case, it is unfortunate that Mr. Robb said anything publicly at all.

In any event, Mr. Robb might forestall criticism and the demand for a parliamentary investigation by offering to give confidentially to the leader of the opposition and to one or two representative members from the West, information regarding any dangers that faced the Standard Bank. It would probably be quite unfair to business interests to have this information made public. One naturally assumes either that some of the loans which the Standard Bank had were not sound or at least were not in liquid form, or that the Standard Bank was in danger of losing one or more big accounts, which would have greatly decreased its earnings.

There was undoubtedly some justification for the merger in the mere lack of progress by the Standard Bank. The bank so far as one can read from published figures, was, prior to the merger, just about where it was five years ago. In view of the rise of prosperity in the country and the increase in assets of all the other banks this was tantamount to going behind.

* * *

AT OTTAWA, the expectation, is that the merger controversy is only starting and that the campaign which has been carried on in some influential papers in opposition to the merger will be continued by a large and powerful number of members of parliament. It is expected that an attempt will be made to have the whole question referred to the committee on banking and commerce, where an insight into the true position of the Standard Bank will be sought and much information that has not been published will be brought into the light.

Such an inquiry, it is reasonable to assume, will do the banking business of Canada no good. It will merely give the more radical members of parliament a rostrum from which to air their views that the banking system is all wrong. In this respect the bank merger is bound to have an unfortunate effect.

It was because it foresaw something of this kind that The Financial Post raised the question of the advisability of flying in the face of a well established—whether reasonable or unreasonable—public opposition to bank mergers. The certainty of a parliamentary inquisition gives point to doubts previously expressed in this column.

The new Canadian Bank of Commerce is powerful, well managed, and progressive. It is big enough and sufficiently far-flung to be able to serve any Canadian enterprise. It is a bank of which Canadians will have much reason in the years to come to feel proud.

Potato Crops Good

New Brunswick potato crops are plentiful this year, but owing to the very large American production, any increase in yield is more than offset by very low prices.

NEWSPRINT'S SLUMP IS HERE FOR LONG TIME

Common Dividends Will be Cut and Profits Will be Slim

MAY LAST YEARS

Newsprint Men Feel Pessimistic—If Long Continued, Present Situation Would be Serious

From Our Own Correspondent

MONTREAL.—No one knows the price of newsprint, but it is thought that for 1929 the price will be about $52 a ton. It is understood that International Paper's contract with Hearst is for a price slightly above the $50 figure. It seems certain that when International Paper announces its 1929 price that it will virtually be the figure offered to Hearst. For International, until the present contract was closed, has not sold to Hearst for many years—the reason being, probably, that Hearst always wanted concessions which were not given to other publishers.

Moreover, cutting prices to Hearst was the rock which upset the Canadian Newsprint Company's apple-cart. Competing newspapers did not relish the thought of paying more for their raw material than Hearst. Thus the Canadian Newsprint Company lost caste immediately with the other publishers and the selling organization broke up.

Others Are Unaffected

It is said that the International-Hearst contract calling for between 150,000 and 170,000 tons of newsprint annually will not affect the contracts which Hearst has with some of the other Canadian mills. These include Lake St. John, Anglo-Canadian and Brompton. These contracts cover a number of years.

Hence these other companies will lose business by the contract, although they will, of course, be affected to the extent of making much lower profits on their output.

Excluding companies such as Lake St. John which in its contract with International Paper has a minumum price clause, earnings of the newsprint companies with paper at say $52 a ton are going to be slim. The average costs of the newsprint mills after depreciation and depletion, but before fixed charges, can be taken at $45 a ton. This leaves profits applicable to bond interest and preferred dividend requirements next year of only some $7 a ton. To earn bond interest and preferred dividend requirements with prices at their present level, the newsprint companies would have to be capitalized in bonds and preferred at just a little over the $100 a ton figure.

Capital Is Higher

Any examination into the financial set up of most of the companies shows clearly that virtually all of them have a bonded indebtedness and preferred share capitalization well in excess of the $100 figure. This indicates clearly that dividends on common stocks will not be earned with newsprint at $52 a ton. In some instances, the companies may have a hard time earning the disbursements on their senior securities.

Many newsprint men have experienced a sense of relief with the slump in prices. It is the same relief which the solder feels in warfare when the zero hour finally arrives.

The price cut may bring mergers or other efforts tending to bring about a situation in which it will be possible to increase prices to a figure more in line with costs. But as far as the mooted Abitibi-International merger is concerned, such a development need not enter into the calculations of any investor. Like the Abitibi-Spanish merger, it might come in time—but the time is not yet.

It is not probable that there will be any rush by the high cost U. S. mills to turn their machines over to other grades, or to close down their plants. In many of these mills the capital cost of the plants has been written down to a low figure and, in any event, receivership would not reduce production. It is to be admitted, though, that during next year the output of the U. S. mills will probably decline faster than it has done in the past eighteen months.

Many newsprint executives look for a three year period of depression in the industry. And to their credit it can be said that most of these executives have built up their

(Continued on page 2, col. 4)

International Paper Acts for Big Group in Bathurst Deal

B. C. Power Units Above Issue Price

British Columbia Power units of "A" and "B" stock this week began to sell above the issue price of $60.

At the close of the market November 7, the "B" stock was 41¾ and the "A" stock was 52½. Original purchasers last June got one share of Class "B" stock as a bonus with each four shares of Class "A" stock, at $60. Thus the units at the close of November 7 were worth approximately $63 in the market.

There has been a rapid rise in the "B" stock from the opening price of 22, while the "B" has remained steady around 50. Before the trading in the two classes of the stock, the units might have been bought over the counter at below the official offering price.

Several Mills Acquired Control to Eliminate Further Competition

WILL NOT EXPAND

Second Machine Though Will Probably be Installed in Plant — Equipment at Mill

From Our Own Correspondent

MONTREAL. — The Bathurst Power and Paper Company is not controlled by International Paper. It is rumored that International Paper in controlling the company's operations simply represents a group of Canadian newsprint mills.

The syndicate controlling the Bathurst Power and Paper Company, it is said, includes International Paper, Canada Power and Paper, Abitibi, Price Brothers, Brompton, Port Alfred, and the Backus-Brooks interests.

Just about a year ago, Nesbitt, Thomson & Company purchased the property because Bathurst has large power and forest assets. The Nesbitt, Thomson interests then began negotiating to sell the property to the St. Lawrence Paper Mills, but the deal fell through. Then International Paper bought 50 per cent. of the stock from Nesbitt, Thomson & Company. Then, after the remaining Bathurst shares had been offered publicly, the International Paper formed a syndicate of newsprint executives to hold control of the undertaking.

Eliminate Expansion

The idea behind the formation of the syndicate was to eliminate the possibility of large scale expansion by Bathurst which would have made even more difficult the situation in which the industry now finds itself.

It is understood that the individuals who became partners in the deal with International Paper are really simply representing the companies with which they are associated.

The minority shareholders in the Bathurst Power and Paper do not, though, appear to occupy any less favorable a position for the controlling interests in the company are and will continue to operate the plant at a scale of capacity more than comparable to the average throughout the industry.

Moreover, had the Bathurst Power and Paper Company embarked on a program of expansion when the predecessor company was acquired, there is no doubt that the outlook for the future of the shareholders would be less satisfactory than it is at present when the company is going along steadily producing newsprint and in addition has a substantial output of pulps, which to a degree, offset the unsatisfactory market for newsprint paper now prevailing.

In addition to its newsprint capacity of 75 tons of newsprint daily, Bathurst has a production of 75 tons of kraft and 65 tons of sulphite daily—a factor which should tend, at least, toward maintaining earnings despite the fact that with newsprint at $50 a ton, profits on this section of the company's operations will be reduced to a narrow margin.

In addition, Bathurst already has at its plant the machinery to produce another 75 tons of newsprint daily. The installation of the new equipment was delayed pending the adjustment of an assessment entanglement between the company and the municipality where the plant is located. This dispute has not now been settled and the company can proceed with the installation of the equipment which will bring the rated newsprint capacity of the mill up from about 75 tons to 150 tons daily.

Although the companies now controlling the Bathurst Power and Paper naturally look with disfavor on further expansion in the newsprint industry, it is understood that the installation of the second newsprint machine will be carried out, for in the deal between the Nesbitt, Thomson interests and those now in control of the company, it was, so it is said, understood that this expansion would be completed as soon as the company arranged its differences with the town of Bathurst.

Nesbitt, Thomson & Company purchased the property from its original owners early this year and then sold half the stock to International Paper which formed a syndicate to hold the stock.

Nesbitt, Thomson & Company also sold the shares of the new company to the public and in addition some of the Bathurst shares were also taken up by the Canadian Power and Paper Investments, an investment company sponsored by them.

EXPECT SPLIT; IMPERIAL OIL SELLS HIGHER

But, Officially, Really Nothing at all is in Wind

Imperial Oil has ascended fifteen or twenty points in the last week. In any board room the inquirer will be told that a split in the stock is coming. An official of the company who knows that a forthcoming split would cause the stock to rise, told The Financial Post that he knew of nothing to justify the increased market value. He would tell the truth, although he admits that he has been wrong about the stock in the past.

A brochure issued this week, by a stock house interested in the oils, purports to give the earnings of Imperial. The information is based on calculations of the total of the business done in oils in Canada, Imperial's share at 60 per cent., and the profit per gallon. This official told The Financial Post that the stock-house's effort to reveal what is in Imperial Oil's profit and loss account is highly inaccurate and illogical. He declared that the estimate of $6.75 per share should be divided by two and then something subtracted.

Says Profits Not Increased

It seems that that bugbear of big business—the law of diminishing return—has come into play. Imperial has had a phenomenally good year in point of volume but, somehow or other, the profits have not increased. Such is the quasi-official information. The company is not altruistic, but it believes in serving the country and it spent $300,000 this year to see that the Western farmer got the fuel for his tractor when he needed it. Gas is delivered to the remotest settlements of Canada at high cost in the hope that the remote settlements will grow. If the country grows rapidly, Imperial may benefit rapidly, but if growth is slow, the harvest from the ploughed-in earnings will be slow likewise.

Once upon a time, Imperial Oil

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Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Nov. 7	94.9	89.9
Week of Oct. 31	94.6	89.9
Month of November, 1927	87.9	77.6
9 Bank Stocks		
Week of Nov. 7	307	305
Week of Oct. 31	309	304
Month of November, 1927	279	264
10 Public Utilities		
Week of Nov. 7	113	110
Week of Oct. 31	112	109
Month of November, 1927	106	97

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	2	6	1	9
Paper	6	9	3	18
Steel	14	10	20	44
Foodstuffs	15	17	24	56
Utilities	11	11	14	36
Tractions	6	1	5	12
Textiles	8	6	5	19
Industrials	33	39	45	117
Total	95	99	117	311

Dominion Power Stock Higher on Alleged Deal

From Our Own Correspondent

MONTREAL. — Dickerings between the Hydro-Electric Commission of Ontario and Dominion Power and Transmission Company, with a view to having the former take over the latter, have not reached a definite stage.

Both parties state that there is no foundation to the stories that negotiations are on, but, on the other hand, the stock of Dominion Power has advanced lately from 55 to 75 on good buying.

If no deal is on, then the point arises as to why the stock should show an increase in value. As is well known, Dominion Power has been slowly strengthening its position but is still far from being a big money earner.

Position is Improving

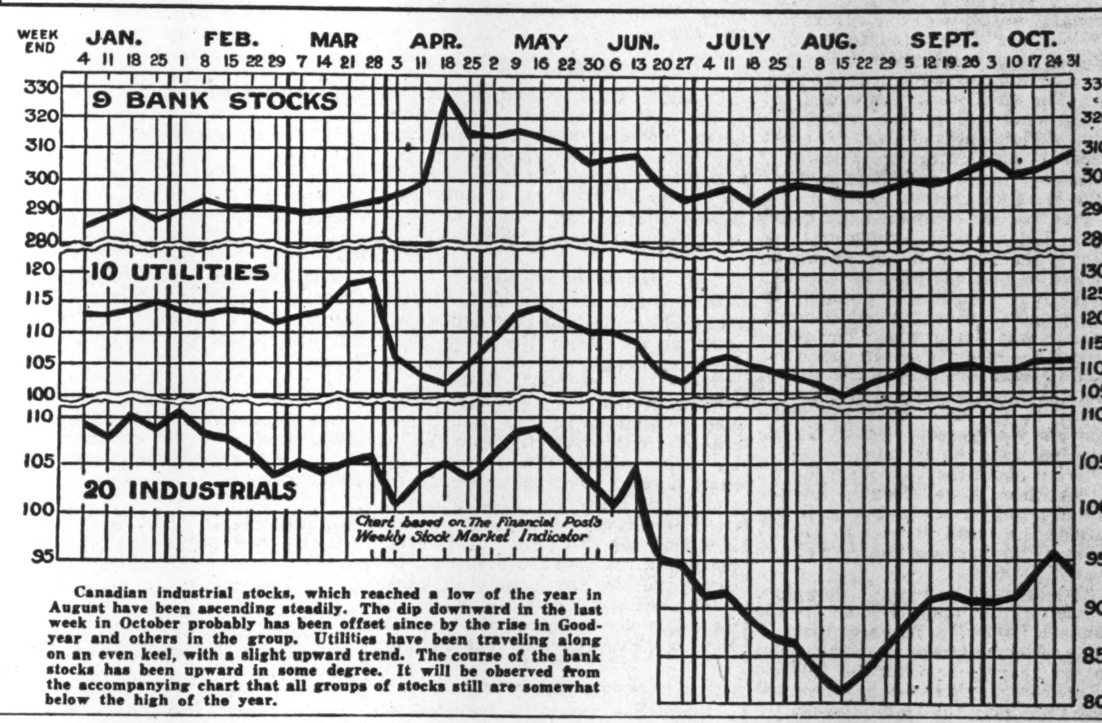
The position of the company from an operating standpoint latterly has benefited to no small extent from the removal of the jitney competition which, over a considerable period, has been eating into earnings, and these, since a recent court decision, have presented a much better showing.

The Hamilton Street Railway, one of the principal subsidiaries, will benefit mostly from this move. In addition the fares were increased last summer, which should also materially better earnings.

Might be Good Move

In many respects the taking over of this company would fit in well with the operations of the Hydro Commission. Dominion Power controls 11 companies which supply light to Hamilton, Brantford and St. Catharines and various municipalities in the Niagara Peninsula. Further it operates street and interurban railways in Hamilton and adjoining municipalities.

Industrials Move Upward While Utilities Stabilize



Canadian industrial stocks, which reached a low of the year in August have been ascending steadily. The dip downward in the last week in October probably has been offset since by the rise in Goodyear and others in the group. Utilities have been traveling along on an even keel, with a slight upward trend. The course of the bank stocks has been upward in some degree. It will be observed from the accompanying chart that all groups of stocks still are somewhat below the high of the year.

ALL STOCKS AVERAGE UP SIX POINTS

205 Canadian Issues Sell Higher Than in August

There were 205 common stocks traded on Montreal and Toronto exchanges and the two curb markets in the week ended October 30 and, as will be seen from the accompanying table, they were an average of 5.7 points higher than in the week of August 7, when the low point of the year was reached. The 205 stocks in The Financial Post list as at October 30 were down an average of 10.99 points from the year's high of these stocks. On August 7, the 181 stocks traded in the previous week were down an average of 16.69 points from the year's high.

Nine stocks closed the week of October 30 at the year's high. In the previous compilations of this character there were no stocks selling at their high figures for 1928.

Textile stocks alone of the fourteen groups were selling lower at the close on October 30 than at the close on August 7, and the net loss in these stocks as a group was only .44 of one point.

Bank stocks have made the greatest apparent gain since August 7, the recovery in the group being 13.95 points. However, the bank stocks are in the high-price class and the percentage gain probably is not greater than the percentage gain in some other groups where the prices average lower.

High-priced oils as at October 30 were selling on the average nearer their year's high, the decline being only 4.09 points. The oil stocks selling under $10 per share at October 30 were $2.92 below their year's high. This group includes the Alberta oil-development stocks which are subject to fluctuations similar to fluctuations in mining stocks.

It may be surprising that the paper stocks as a group are selling at higher figures now than in August, despite the decline in the meantime in the value of Abitibi, International Paper, Price Bros., and the newsprints generally. The improvement in the average price of the paper stocks probably is attributable to the rise in Fraser Companies common, which in the last few weeks has ascended from 47 to a close on October 30 at 74½. There are only ten stocks in the group so that the ascent of one would affect the average materially.

Although chain stores are facing new competition, the level of foodstuffs stocks is higher than three months ago. Steel stocks are higher, also, with trading in more issues. With Twin City omitting a common dividend, the average of this group is up only slightly since August.

Beverage stocks on the average have risen, largely on the substantial improvement in Hiram Walker. Curb stocks include several new issues, which perhaps accounts for the fact that 45 stocks were traded last week, compared with 39 stocks in the first week of August.

A notable feature of the table is the fact that there were 205 stocks traded in the week, compared with 181 in the weeks of the previous compilations. This broadening of the list, both through the admission of new stocks to trading and the revival of issues neglected in the days of a less satisfactory market is an indication of the better tone that exists in the market generally.

Canadian Stocks Gain in Three Months; Only Textiles Lower; Market Broadens

Group	No. of Stocks	Average Decline to June 19	Average Decline to Aug. 7	No. of Stocks	Average Decline to Oct. 30	Net change from Aug. 7
All	181	14.29	16.69	205	10.99	+ 5.7
Curb	39	9.98	13.14	45	9.34	+ 3.8
Bank	9	37.95	40.05	9	26.	+13.95
Paper	10	41.	41.4	10	37.5	+ 3.9
Foodstuffs, etc.	23	14.4	15.2	26	8.01	+ 7.19
Steels	13	11.34	15.88	18	5.3	+10.58
Utilities	12	16.9	22.1	19	13.39	+ 8.71
Transportation	2	16.75	15.25	2	6.	+ 9.25
Tractions	7	11.21	16.12	5	13.7	+ 2.42
Textiles	5	14.29	19.4	8	19.84	— .44
General	26	10.88	11.3	25	6.27	+ 5.03
Beverage	20	11.36	13.48	20	9.51	+ 3.97
Oils (under $10)	4	6.13	4.42	5	2.92	+ 1.50
Oils (over $10)	8		7.78	8	4.09	+ 3.68
Trust & Loan	3	9.	10.5	5	6.3	+ 4.2

Investor's Grandchildren to Gain by Hudson's Bay

Holder's Benefits in Own Lifetime Depend On Furs, Growth of Cities to Company's Stores and of Oil Finds

By J. G. JOHNSTON

Whether the Hudson's Bay Co. is a good investment for Canadians depends on the point of view. Lord Strathcona's opinion that the stock will be good for one's grandchildren is reiterated by Governor Sale in an adjoining column. The investor who wants a stock that is fairly certain to show an increase before the grandchildren are in position to benefit may be dubious as to the merit of the investment.

Ordinary shares in this company have fluctuated widely in the last several years. The high point since the war was 183 shillings in 1919 and the low point was 76 shillings in 1926. The shares have sold as high as 133 shillings this year. A quotation received by cable this week is 119 shillings.

Yield is 4 Per Cent.

Dividends generally have been declining for the last 14 or 15 years until recently. High points were for the fiscal years ended May 31, 1919, and May 31, 1922, when 45 per cent. was paid. For the fiscal year 1928, the payments totaled 25 per cent. of the par value of £1. This would bring a current yield of about 4 per cent.

There are no means of telling if an increase in dividends is likely in the near future. Hudson's Bay Co. does not give out interim earnings figures. However, it is fair to assume that the company is getting a share of the business resulting from the enhanced prosperity of the Canadian West. Profits from trading in the last fiscal year were more than double the profits from the same source in the previous year. The company had been increasing its fixed investments in department stores rapidly since 1925 but it is indicated that no new major expenditures are contemplated in the near future.

Hudson's Bay Co. has been ploughing back earnings for 258 years. Its balance sheet cannot be read easily by persons familiar only with the more succinct documents of Canadian and United States corporations, but close inspection reveals a conservative accounting method and careful reading of other official statements indicates reserves which potentially are great assets.

Oil May Work Magic

In the long run, the shareholders of Hudson's Bay Co. stand to benefit greatly from the company's ownership of 2,700,000 acres of prairie lands. These lands are carried in the balance sheet at no cost. The great bulk of these lands, it is claimed, is suitable for farming—and many thousands of acres are in districts which may produce oil in commercial quantities.

The Hudson's Bay Co. began its career 258 years ago because of the fur trade. Because the original trapper had no use for money, it was trade by barter. The company evolved into a chain of supply depots when settlers had to have goods. But trading posts designed to serve trappers and settlers deteriorated with the opening up of the country. In the present century the company was faced with the alternative of developing its older posts into modern department stores or abandoning them. It was decided to develop them.

Thoroughness is Characteristic

Whatever may be the faults of management of a company that has been in existence 258 years, it is obvious that what is done will be done thoroughly. The department stores —which figure as "saleshops" officially—are buildings built to last. The capital investment therein now is in excess of $30,000,000.

War conditions and the economic depression that afflicted the Canadian West following the war have prevented the company from benefiting to the full from its substantial investments in steel and concrete and stone. Some Western cities have larger and more expensive stores than local business demands. These cities have not grown so rapidly as was expected when the company became committed to the program prior to the war.

The habit of thoroughness which is a characteristic of this company will lead, it is hoped, to the development of the retail trade to the limit of its possibilities. It will be noted that Mr. Sale says that the principles and policies of the company are enunciated by the London committee "in association with" the Canadian committee. As the Canadian committee has intimate knowledge of conditions in the territory served, this explanation by Mr. Sale may dispell the belief that long-distance management will mitigate against legitimate progress of the Canadian operations.

Neglect in Times Past

Undoubtedly in the past the Hudson's Bay Co. has neglected many of its opportunities in Canada. It has been claimed that, in the past 35 years, there has been lack of vision, and practical and unintelligent management. But in the last several years it is evident that there has been a change for the better. The present governor has been with the company for a little more than a decade. He spends some weeks here every year. He displays an intimate knowledge of conditions. While in London, it is improbable

(Continued on page 2, col. 2)

Massey-Harris Dividend Probably Will be $2.50

Payment Likely at End of Year; Business Phenomenally Good; Warehouses Empty While Plants Work to Capacity

Massey-Harris Co. is likely to pay a dividend at the close of its fiscal year, November 30. The rate has not been determined, but it is considered probable that it will be a quarterly payment at the rate of $2.50 per year.

A dividend on the common stock has been mooted ever since the splitting of the $100 par shares into four times the number of no-par shares, in March, 1927. The management, however, has been averse to inauguration of a dividend until the cash position was such that continuance of the initial rate was reasonably sure.

Warehouses Are Empty

It is believed that the 1928 report will show an exceptionally strong cash position to have been achieved. It is likely that inventories will be much lower than normal and the prosperity of the agricultural community has made collections so much easier that there is likely to be a reduction in receivables.

Although all Massey-Harris plants are working to capacity, it is said that the warehouses and agencies are short of machines. Groups of employees who normally are laid off at this time of year have been led to expect that there will be little or no slackening of production during the winter months.

Will Show Above $4

This information comes from a source which usually is well-informed as to the affairs of Massey-Harris Co. This person characterizes the year's business as having been phenomenally good, with no prospect of a curtailment of operations before the end of the month, which is the year-end.

Bearing in mind the management's skill in the art of building extraordinary reserves before permitting profits to be shown in profit-and-loss account, it is predicted that the earnings per share for the year will be not less than $4 and may be $5. This compares with $2.69 shown for 1927 and $2.38 shown for 1926.

HUDSON'S BAY FUTURE IN OIL IS PROMISING

So Says Charles V. Sale, Governor of Oldest Company

FUR TRADE EXPANDS

Department Stores, Too, Expected to Do Well as Western Canadian Cities Grow

"The late Lord Strathcona, speaking over 25 years ago, said: 'The shares of the Hudson's Bay Company may be safely held for your children and your grandchildren,' and in my opinion the statement still holds good."

C. V. SALE

Thus spoke Charles V. Sale, Governor of the Hudson's Bay Company in an interview, accorded The Financial Post on November 3.

"But," countered the interviewer, "the holder may be a bachelor, in which event he would like dividends to grow and shares to appreciate in his own lifetime."

First 50 Years

"Even a bachelor," replied Mr. Sale, "may face the future with more confidence if he holds the Company's shares among his investments."

"The Hudson's Bay Company commenced with a very small capital, but has consistently ploughed in a large percentage of its earnings — only four dividends were paid in the first 50 years of its existence, and I attribute its survival over 258 years to this policy. We are not interested in the fluctuations of a speculative market. Most of our shares have permanent homes with British investors."

Oil Outlook Promising

"You are looking for oil on your lands through the Hudson's Bay Marland Oil Company?"

"Yes."

"Have you struck oil?"

"No. We are moving cautiously and making a complete survey of the entire situation from a geological point of view. We are satisfied with the results geologically, but we have not struck oil. We are drilling a well on our own land at Viking and the Imperial Oil Company is drilling on other land of ours in the Turner Valley."

"Then you would say that the oil outlook is promising?"

"Quite promising, but of course no one can foretell the final result."

Associated With Revillon Frères

"What about the fur trade? Is the competition growing?"

"We have always had to meet competition, but none is older than about thirty years."

"Is not that French firm becoming better known in the fur trade in Canada than is Hudson's Bay?"

"Revillon Frères? They have been in business in France since 1720 and in Canada for possibly over fifty years. We bought a substantial interest in their Canadian business about three years ago. You will find a reference to the transaction in our annual report to the proprietors."

"The fur trade of the Hudson's Bay Company extends through the entire northland from Labrador to the Pacific," said George W. Allan, K.C., of Winnipeg, chairman of the company's Canadian committee and the only Canadian member of the London committee, who had entered the room a moment earlier. "Production of furs varies in different localities from year to year. I think you

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Bidgood	30	Lake Shore	30
Capital Rouyn	30	Lucky Tiger	32
Clericy Cons.	32	Malartic	30, 32
Gold Hill	30	Mining Corp.	30
Goldie Lake	31	Mond Nickel	32
Granby	30	Murphy	31
Harricanaw	30	Noramer	32
Int'l Metal 30,	32	Treadwell Yukon	30
Jackson-Manion	31	Vipond	31
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SPECIAL SECTION

Featuring New Brunswick 17-28

MORE CASH PAID TO STOCKHOLDERS BY HUDSON'S BAY

Capital Doubled in Two Years Yet Rate Is Increased

Although there was a decrease in the rate of dividends in 1926 compared with the previous year, the aggregate of payments by the company was greater. In 1926, the company's ordinary stock had a par value of £1,000,000, on which £235,000, or 23½ per cent., was paid. In 1927, the ordinary stock totaled £1,500,000, on which $300,000, or 20 per cent. was paid. For the year ended May 31, 1928, there was a further increase in ordinary stock, to £2,000,000, but despite this there was an increase in the rate to 25 per cent., the payments totaling $500,000.

The company makes specific dividend payments from trading profits and specific payments from profit on the sale of land. As the profit on the sale of land is considered return of capital, that part of the dividend is exempt from the British income tax.

The price range of the ordinary stock on the London exchange since 1918 has been as follows:

	Shillings (approx.)	
1918	183	140
1919	183	143
1920	182	105
1921	142	104
1922	172	110
1923	157	95
1924	125	100
1925	118	90
1926	125	76
1927	128	78
1928	133	97½
1928 (Nov. 6)	119	...

HUDSON'S BAY FUTURE IN OIL IS PROMISING

(Continued from page 1)

must take the average result of the fur-trading over a period of ten or fifteen years to judge whether or not this branch of the business is flourishing."

Fur Posts Grow in Number

"That is so," continued Mr. Sale, "You must remember that the collection of furs is a very special business.

"We are continually moving further and further north in advance of civilization. The Canadian Pacific Railway purchase of the Alberta Railways may mean intensive settlement of a new territory, which will compel us to abandon some posts, now producing considerable quantities of furs.

"It may appear at times as if we were deliberately permitting a post to fall into decay. We are merely marking time, waiting to see which way events will turn. If the district becomes settled so as to end or curtail the fur trade in the locality, we may close the post and move farther on. But because we allow a post to decline does not mean that we are not alive to the need for continuous development of the fur trade.

"We now have a greater number of fur trading posts in operation, scattered over a wider area than ever before in the history of the company.

Reorganize Steamer Service

"We are now taking in hand a complete reorganization of our transport system on the Athabasca, Mackenzie and Peace rivers, which will include the building of new steamers and barges. We are also preparing for traffic in Hudson's Bay, so that when the railway is opened up to Churchill we shall be in a position to undertake transport from railhead of both passengers and cargo.

Not Like Grand Trunk

"Now as to remote control of the company," said the interviewer. "Investors and prospective investors, resident in this country, often ask as to the degree of independent action permitted the Canadian Committee and the resident executives of the company. It is questioned if a committee in London can be as successful in the management of a merchandising organization in Canada as such an organization could be if the entire management were in the hands of residents of the country.

"The case of the Grand Trunk Railway is cited, in this connection. One of its faults is said to have been that the London directorate did not permit the executives on the scene of operations to act on their own responsibility in matters which should have been left to them."

"My answer to that," said Mr. Sale, "is that the Grand Trunk was not managed by the Hudson's Bay Company."

"In every one of our offices," he continued, "hangs a chart, which illustrates the responsibilities and functions of the heads of the departments. The London committee, in association with the Canadian committee, enunciates the principles and policies to be followed in operating every branch of the company's activities in Canada."

"Are the executives and department heads in Canada, who have demonstrated their ability, given a free hand in developing their departments in a way consistent with the principles and policies laid down?"

Claims Contact Adequate

"I do not feel that I can discuss the intimate details of our organization," replied Mr. Sale, "but I am sure we are following the right course. Policies and principles, which have proved their worth over a period of 250 years, are not lightly to be cast aside. We are an English Company, we are still guided by the Charter of 1670 under a governor, deputy-governor, and committee of seven, and it does not seem reasonable that the Head Office should be removed from London, so long as we adapt ourselves to changing circumstances. In the old days we had a resident governor in the Territories of Rupert's Land. Now we have a Resident Committee in Canada composed of Messrs. James A. Richardson, Robert Gourley, Conrad S. Riley and James Thomson, with George W. Allan as chairman. With such a committee I feel confident that we secure that degree of contact with Canadian conditions, which is essential to success."

Buys on Both Continents

"In view of the fact that Canada is more American than English in its buying habits, are the department stores, or saleshops, of your company operated along the lines proven most successful in department-store management on this continent?"

"Yes, and in some respects I think we may claim to be ahead of the Americans," said Mr. Sale. "Of course, we do not attempt to control details from London. That is done on this side. We have a buying office in London for British goods, in Paris for French manufactures; we have long maintained a buying office in Montreal, and shall shortly establish one in Toronto."

"No, we are not at present contemplating opening shops in Toronto or any other city east of Winnipeg. We have denied statements to the contrary so often that it seems useless to deny the rumors of to-day."

Store Locations Defended

"It is often said that the Hudson's Bay Company stores are wrongly located for retail trade in certain cities?"

"That statement," said Mr. Sale, "probably began with our experience in Victoria. We started to build a saleshop there in 1912 at a time when all western cities were growing rapidly. The steel work was completed at the outbreak of the war. The gaunt skeleton stayed there for eight years. It was no credit to the city or to the company. Rather than leave it as an eyesore to the people of Victoria, we completed the building in 1920 at considerable cost, although the city had not grown to the extent that had been anticipated. In the long run, it will probably be demonstrated that the selection of the site was not unwise. The retail district has recently grown out to our building, and for every month except two, the business has shown an increase in its sales over the same month in the preceding year. We are satisfied with the results."

"What about the Vancouver store? It doubtless is well located for the summer tourist trade, but is it not outside the retail district to get its share of the business the rest of the year?"

"We do more business in that store in the winter months than in the summer," was Mr. Sale's answer.

Mr. Allan interposed at this point to say that as regards the location of the company's stores in Vancouver and Winnipeg, the traffic toward the retail district of the former all flowed in the direction of the company's store, except from one district, and he cited the recent substantial increase in realty values on Granville Street near the store as evidence that the original selection of the site had been correct.

"In Winnipeg," said Mr. Allan, "the same situation prevails, with the certainty that, as the city grows, the company's sales shop there will be increasingly valuable."

Substantial Buildings Pay

As to the belief, existing in some quarters, that the company had spent too much on its store buildings, Mr. Sale contends that the expenditure is justified, because of low maintenance charges on a well-built structure and because the company's duty to the public requires a substantial building.

"We may have 20,000 people, or more, in a building at one time. For that reason, we cannot erect a flimsy structure," he said. "If in later years we find that conditions compel us to seek a new site, we are likely to find that our original site has increased in value, and the building will not have deteriorated as a less substantial structure would have done. Moreover, we commenced a sinking fund several years ago, calculated to write off the cost of all our buildings within a period of about 33 years."

INVESTOR'S GRAND-CHILDREN TO GAIN BY HUDSON'S BAY

(Continued from page 1)

that he is out of touch with Canada.

He has great faith in the future of the company. Some more astute interviewer, however, must judge whether his faith in the future of the company is based on well-laid plans and reasonably certain foreknowledge, or constitute the English instinct for believing in the permanence of the thing established. Mr. Sale harks back to the second of May, 1670 (the date of the company's charter) rather often.

Yet visitors to any of the Hudson's Bay Co. stores must admit that they are quite in keeping with the best of Canadian and United States stores. The management, in so far as the casual customer may judge, is consistent with the practice on this continent and, as one must have faith in the future of cities in the Canadian West, one must conclude that the company has not anticipated unduly the growth of the communities it is serving.

Develop Northland Business

It is possible that some Canadian criticism of the long-distance management arises from impatience with English methods—methods which are the antithesis of many American methods. The point is perhaps illustrated by Mr. Sale. He is a quiet man and a keen one, but his keenness is not so immediately apparent as in the case of many an American executive whose desk would be adorned principally with a row of push-buttons. Those who believe aggressiveness must be noisy will not have much faith in Hudson's Bay management.

Mr. Sale's statement that the company is reorganizing, expanding and modernizing its transportation system in the North should be noted. It will contribute to the further development of the fur trade and facilitate the opening of new districts. While shareholders will hope that the services rendered to the public bring a profit to the company, the establishment and expansion of remote trading posts and the bettering of communications will benefit the country, and the company should be given credit for work of this kind.

Seen Best as Long Hold

In all three of the major departments of the company, the long-term outlook must be considered promising. To summarize:

1. Stores: Investment is heavy but earnings doubled last year and west is more prosperous this year.
2. Land: Great bulk of it can be sold eventually as farming land, while there is good reason for hoping that oil will be discovered.
3. Fur-trading: Expansion is continuous, company owns substantial interest in Canadian business of Revillon Fréres and a substantial interest in English firm of Lampson & Co., which deals in furs from all parts of the world.

I. P. Buy Chatham Property

MONTREAL.—The first public move of the International Paper Company toward the start of the new 100-ton sulphite pulp mill to be erected on the Miramichi, was made last week when that company purchased a large property at Morrison's Cove across the road from their rossing mill. The site is practically in the town of Chatham.

Tape Readings

Imperial Oil

Certain Imperial Oil officials might not be participating in the recent move of the stock if they had not been buying stock set aside for employees. New trusts are organized from time to time and the extent of participation in each new trust is governed by the stock interest in the old. So some of the officials who sold other Imperial Oil stock at lower levels are now congratulating themselves that the provisions of the employees' trusts impelled continual purchases of treasury stock.

* * *

Canadian Oil

Canadian Oil has been one of the smaller oil companies participating in the upward move of the group. Earnings have been good and in conservative quarters the stock is viewed favorably, whether or not there is anything in the rumor as to a split, rights or sale of the company.

* * *

On U. S. Holidays

Such inter-listed stocks as Imperial Oil, International Pete and Nickel were strong when the New York stock exchange was closed for the purpose of electing Hoover. A United States holiday which is not also a Canadian holiday usually creates strength and activity in the inter-listed stocks. Those who buy, think a stock is on the upward turn and think they will steal a march on New York by buying through Montreal or Toronto. But often there is a reaction the next day, because the floating supply of these stocks in Canada is not equal to the Canadian demand plus the unusual New York demand on the holiday.

* * *

Photo-Engravers

Photo-Engravers is reported on good authority to be earning not less than $4.25 per share. It is claimed that, on this basis, the stock is undervalued around $35. The business has grown from a small beginning not so many years ago and profits are said to have increased at a remarkably steady gait.

* * *

Cities Service

Cities Service Co. has bought the Sterling Gas Co. of Port Colborne and distribution of gasoline and oil in the Niagara district is planned. Cities Service is of Canadian investment interest through sales of stock on the instalment plan.

* * *

Original Durant of Canada shareholders who paid $10 and $12.50 for their stock have lived to see it sell above the issue price. Even the $15 buyers are cheered by the action of the stock since it has been listed.

* * *

Captain Loewenstein's death undoubtedly has affected the demand for Quebec utility shares, excepting Brazilian, which has a strong following independently of any buying for a holding company. Power Corp. and Quebec Power are two stocks urged by conservative brokers for a moderately long pull. Power Corp. is a holding company with rapidly increasing earnings. Quebec Power is an operating company allied with the Shawinigan-Montreal Power group.

* * *

Bootleg Money in Canada

Bankers are quoted as saying that money will be secure for stock-market purposes. The inference is that they believe stocks are too high. Brokers smile and say that good stocks will continue to rise on their merits.

* * *

Sound brokerage houses are finding plenty of money. It is private money — so-called bootleg money. The frank Mr. Carlisle allowed the Goodyear report to show the amount the company had loaned on call. It is the respectable sum of $2,700,000. Goodyear is only one of many lenders on call in Canada.

* * *

President of the New York Stock Exchange said recently that no lender on call ever had lost a dollar. Inquiry among long-memoried brokers in Canada fails to discover any instance of loss on call-loans in Canada, either.

* * *

There may not always be harmony among bankers, but there is unison. When one bank begins to call its loans, they all call. Then come recessions. From the broker's point of view, one advantage of borrowing privately from a number of sources is that all the lenders are not going to want their cash at the same time. Mr. Carlisle will want the Goodyear money when he is ready to buy large chunks of crude rubber. But the season for buying crude rubber is not the season for buying tinplate or other raw materials. Private lenders on call want their money when they need it and they are not likely to ask for it because they think the stock market needs four-wheel brakes.

* * *

Some brokers think that they are as good economists as bankers and are inclined to suggest that the day will come when bankers will be relieved of their responsibility for curbing the optimism of the stock market. These brokers believe that "optimism" is not a sin but is merely faith in the future.

* * *

Lending privately on call is a simple process. The lender who is willing to trust the broker gets 6 per cent., a demand note and a memorandum of the stocks which repose in the broker's strongbox. If the lender prefers not to accept the broker's signature and the memorandum without further security, he can get a trust company to act for him for a fee of one-half of 1 per cent. The trust company guards the securities. The service charge for lending money in New York is three-tenths of 1 per cent.

Rural Districts Buy Own Municipal Boards

Township of Drummond, Ont., recently sold $54,700 5 per cent. twenty-year drainage bonds locally, paying a local agent a commission for handling the issue. This same agent some weeks previously bought $47,000 of County of Lanark bonds, after all tenders had been rejected, the highest being 99.03. The issue is a 5 per cent., twenty-year bond, the proceeds to be used for road purposes.

In the same district, the Township of Elwaby North sold $23,629 5 per cent. twenty-year drainage debentures to its own ratepayers. There were private offers for the bulk of the issue before its offering.

EXPECT SPLIT; IMPERIAL OIL SELLS HIGHER

(Continued from page 1)

did not have much competition in Canada. But those days, one gathers from this source, are gone forever. There are sizeable companies in the oil business which prefer to do business only where business is best. And new competition is coming. Those "Domestic" service-stations which are cropping up in some localities are owned by the Texas Company, a comparative newcomer in the Canadian field.

In the meantime, Imperial Oil stock continues to ascend. It is now selling at twice the figure of Standard of New Jersey, although Imperial's parent also pays $1.50 per year in dividends. It is not apparent that any pool is operating in Imperial Oil stock and those who should know profess not to know the source of the buying.

There have been stock splits or rights on Imperial Oil four times since 1919. The last move of this kind was in January, 1925, when the stock was split four for one. Lacking authentic information, the stock market possibly is adjusting its valuation of the stock on the assumption that history, as regards such a good stock, is certain to repeat itself. A little more than three years elapsed between the December, 1921, rights and the January, 1925, split. Another three years have rolled around.

NEWSPRINT SLUMP HERE FOR LONG TIME

(Continued from page 1)

companies into a financial position in which they can well afford to withstand a prolonged period of depression.

Three years though may be a long estimate. Any real increase in the amount of advertising in the U. S. next year would have a beneficial influence on the industry and a turn for the better might take place within a year. It all depends on the prevailing level of general business in the U. S. which in turn affects the amount of space which advertisers purchase.

It is too early to forecast the effect of the decline in newsprint prices on the holders of preferred shares in the industry. For a year or two the stocks may languish marketwise. Perhaps some of the companies which were financed by preferred stock and have no bonds may have difficulty in meeting preferred dividend requirements.

But it is a safe assumption that for the time being the companies will not be hard hit. It is possible prevalence for a long period of the $52 price which constitutes the menace in the industry.

Can Reduce Their Costs

It can be said also that the newsprint companies have not yet reduced their operating costs to the lowest level possible. Probably all frills such as model towns, will, for the next year or two, be neglected. Moreover, by the adjustment allowances for depreciation and depletion operation costs can be lowered. It is impossible to lay down definite figures which individual companies should allow for such reserves annually.

Then again, any betterment in the demand which would allow the mills to operate at a higher rate of capacity would be reflected in lower operating costs.

While the newsprint horizon is cloudy at the moment, many of the newsprint securities have largely discounted the situation as it exists to-day. Price Brothers is one of the few stocks which gives any indication of strength. While there is no chance of stocks selling higher, there is little chance of them selling much lower, for the present at least.

As the drama of competition between the mills unfolds itself still further, it is more than probable that there will be more declines especially in any stocks which are now selling out of line with shares such as International Paper, Abitibi or Canada Power and Paper.

Fraser Companies Up on Contract Rumor

From Our Own Correspondent

MONTREAL.—It is impossible to learn definitely the reasons behind the strength in the common shares of the Fraser Companies. It is certain that earnings this year will be entirely out of line with the prevailing price of the stock. Eventually, the program of expansion which the company is just completing will undoubtedly boost earnings substantially.

Gossip has it that the company has secured a ten year paper contract for its U. S. paper mill from Sears-Roebuck for catalogue paper. Another and more improbable rumor is that negotiations for the sale of the company to International Paper have been again re-opened.

The strength in the shares, though, is probably due more to the company obtaining satisfactory contracts for its output, rather than to the possibility of its sale. The interests controlling Fraser would probably not sell out.

Discrimination is the Better Part of Travel

To travel in a distinguished manner across the continent is the wish always of discriminating travellers, and if your journey ends in California or along the Pacific Coast, ask nearest agent of the Canadian Pacific Railway to map out your itinerary so that you will receive the full quota of scenery. A winter in California will give you an album of memories. Pleasant memories of a fascinating country possessing a virtual infinity of charm. Grand mountains stretching into the sea, crescent-shaped beaches that are always gold except when the moon turns them silver, and such fruit that only California knows. The daily play consists of golf, polo, tennis, yachting, fishing and even flying. Dancing is for the moonlit nights. The more serious sports include hunting, but you can also be as lazy as you wish.

City Ticket Office, Can. Pac. Bldg., King and Yonge Sts., Toronto, phone Elgin 1261.

Alberta-Pacific Grain Profits from Big Crop

From Our Own Correspondent

WINNIPEG.—There is another big crop to be handled this year and Alberta-Pacific Grain, which ended its year June 30, should make a highly satisfactory showing on earnings. Opinion among grain men here is that the stock is good value at the present price of 58 to 60, but it is anyone's guess as to how long it will be before the market reflects the steadily improving position of the company. It is, of course, possible that when the proceeds of the present crop are in circulation, more people in the West who know of the growth of the company will begin to buy the stock.

The company showed earnings applicable to the common stock of $7.54 per share for the fiscal year ended last June 30, compared with $3.54 for the previous year. There had been predictions a year ago that the earnings would be in excess of $10 per share. These predictions may have been fairly accurate. It is possible that the directors hid some of the profits in a subsidiary. But the fact that they were not shown, probably prevented an upward move in the stock as the time for the publication of the report approached. Apparently there is no intention of paying a dividend at present.

McLeod, Young Weir & Co. Open Winnipeg Office

McLeod, Young, Weir & Co., this month will open their first Western office, in the Toronto General Trusts Building in Winnipeg. Ralph J. McGuckin and W. S. Arnold will be the joint managers.

McLeod, Young, Weir & Co., already operate six offices—Toronto, Montreal, Ottawa, Hamilton, London and New York.

J. S. Richardson Enlarge Office

MONTREAL.—James Richardson & Son have further enlarged their premises here to enable them to take care of their increased business with stocks and grain. The new office, which adjoins the present quotation room, has been fully equipped with boards for Montreal and New York stocks, and will be used for that purpose exclusively, and the old quotation room will be used for Winnipeg and Chicago grain options.

THE STORE FOR MEN

"Church's" Spats

Medium Grey—Medium Fawn — Light Grey — Light Fawn.
$3.00

Light Fawn and Grey, half lined.
$4.00

The same jealous care that has brought "Church" Shoes to their commanding position is exercised in the making of Church's British Spats.

The Store for Men—Street Floor.

The Robert Simpson Company Limited

The Weyburn Security Bank

Chartered by the Act of the Dominion Parliament

TWENTY-SEVEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

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Safety Deposit Vaults at our Uptown Branch have every accommodation. A three dollar box will meet the requirements of the average person

IMPERIAL BANK OF CANADA

YONGE AND BLOOR BRANCH

Foreign Exchange

Our own offices in London, England, and New York—and private wires between Toronto, Montreal and New York—keep us in close daily touch with the world's money markets. We offer prompt service and the best possible rates on Foreign Exchange.

Telegraphic and Cable transfers are given special attention.

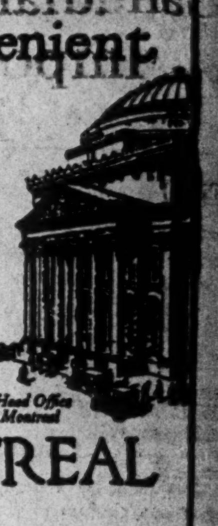
THE DOMINION BANK

Established 1871

95

COMMERCIAL BANKING
Complete and Convenient

In all parts of the Dominion this institution brings complete commercial banking service conveniently to business men and concerns. Supplementing over six hundred branches and giving wide range to its service are correspondent banks in all parts of the world, together with offices in London, Paris, New York, Chicago, San Francisco and Mexico.

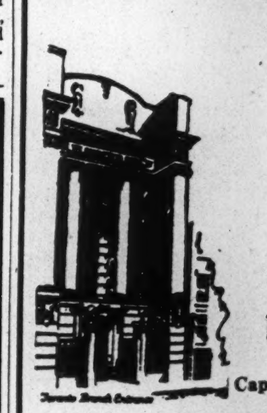


Head Office Montreal

Total Assets in Excess of $860,000,000

BANK OF MONTREAL

Established 1817



Build Your Business in Far Ports

As well as at home. Our extensive foreign experience is available to our clients.

This Bank solicits Business Accounts.

THE BANK OF NOVA SCOTIA

Established 1832

Capital, $10,000,000. Reserves, $20,000,000.
Total Assets over $260,000,000.

804

Stanford's Limited

Balance Sheet

as at September 1, 1928

ASSETS

Current—		
Cash on hand, in Bank, with Customs, and in Investment Securities	$69,832.61	
Accounts Receivable, Prepaid and Deferred Charges, less reserve for doubtful accounts	74,329.48	
Merchandise Inventory, less reserve for depreciation	41,139.23	
		$185,301.32
Fixed—		
Land, buildings, fixtures, machinery, equipment, office furniture, etc., as at September 3, 1927, at values appraised by Cradock Simpson Company, Frank Foster, A.R.I.B.A., and the Canadian Appraisal Company Limited, plus subsequent additions		746,018.75
Leases and Trade Mark		3,066.02
		$934,386.09

LIABILITIES

Current—			
Accounts Payable and Accrued Liabilities			$149,296.93
Deferred—			
Reserves for depreciation on fixtures, delivery, and equipment		$34,687.58	
Reserve for Federal Income Tax, for previous and current periods		7,363.19	
			42,050.77
Capital Stock—			
Issued and fully paid—			
5,000 shares, 7% Cumulative 1st Preferred	$500,000.00		
2,000 shares, 7% Cumulative 2nd Preferred	200,000.00		
20,000 shares Common, no par value	20,000.00		
		720,000.00	
Surplus (Subject to 1927-28 Depreciation Reserve)		23,038.39	
			743,038.39
			$934,386.09

AUDITOR'S CERTIFICATE

We have obtained all the information and explanations required, and hereby certify that in our opinion the above statement is so drawn up as to exhibit a true and correct view of the Company's affairs as at September 1, 1928, according to the best of our information and the explanations given us and as shown by the books of the Company.

R. SCHURMAN & COMPANY, Chartered Accountants.
R. Schurman, C.A.

PROFIT AND LOSS ACCOUNT
for Year Ending September 1

DR.:		
Provision for Federal Income Tax		$ 5,800.00
Dividends—		
7% Cumulative 1st Preferred	$35,000.00	
7% Cumulative 2nd Preferred	14,000.00	
Common—rate of 1% per annum from December, 1927	15,000.00	
		64,0[illegible]
Balance carried forward, September 1, 1928		23,038.39
		$92,838.39
CR.:		
Surplus, as at September 3, 1927, plus Income Tax Reserve adjustment		$18,431.53
Profit from operations, income from properties, and special income for year ending January 31, 1928, after deduction of operating, selling and administrative charges—subject to depreciation for period		74,406.86
		$92,838.39

Canadian Investor Important to C.P.R. as Road to Dominion

Final Analysis Reveals Company Paramount Rail Investment—Financial Policy Precludes Segregation But Offerings of Shares Tend to Benefit Shareholders

By GARY MOORE,
Article VIII.

In the concluding article of the series comprising an analysis of Canadian Pacific Railway, we deal with perhaps the most interesting of all subjects discussed—the relationship of the Canadian investor to C. P. R. The importance of the Canadian shareholder to C. P. R. is similar to the importance of the road itself to the Dominion. An increasing number as time develops is guarantee that the company will remain essentially Canadian.

It must not be construed from this that Canadian operation of the road could be endangered. But in a financial sense there are many enterprises completely divorced from the countries in which they are operated. This is not true of Canadian Pacific. The nationalistic attitude of its policies has been apparent from its inception. It learned a good deal from Britain, and it could well afford this, as British representatives came with experience derived from foreign transportation enterprises in all parts of the world. But the British idea had been developed through foreign financial control wedded to domestic operation of these enterprises. Canadian Pacific received whole-heartedly all that could be assimilated, but remained essentially Canadian.

How well this policy worked toward the benefit of the Empire, the Dominion, and the road itself, was demonstrated during the war when Canadian Pacific was the only important privately owned transportation enterprise in the world to be operated free of government control. Explanation is probably found in its previous dedication to service. When the utmost in service was demanded during the war years it was ready.

American Penetration

The end of the war found thousands of shares of C. P. R. transferred from London to eager American hands. Then began the American financial penetration. Ably managed by far-sighted men on both sides of the border this penetration in the end became co-operation. This cannot be said for all other Canadian enterprises. But in C. P. R. the spirit of rivalry was bent toward a common end. America appreciated the dedication of the railroad giant to the service of the Canadian west, even at the expense of larger immediate financial returns to shareholders. The legend of James J. Hill, Canadian-bred railroad builder, was fresh in the memory of Wall Street. The more far-sighted of American investors recognized the advisability of permanence in railroading. It was recognized that Canadians at the management of C. P. R. were builders of values and conservationists to the highest degree.

The era of railroad pillage through vested interests had passed in the States. The numerous financial reorganizations American railroads had been forced to endure as result of the sacrifice of natural resources was remembered. Canadian Pacific was regarded with reverence; under able management with a keen sense of responsibilities and its dedication to service, the road had escaped unscathed. Its financial integrity was unquestioned.

With American financial penetration into Canada came "the American idea"—the peculiar American conception of largeness. It is characteristic of the majority of Americans that they seek securities of the largest corporations in any industry. It was the larger Canadian enterprises in which they became immediately interested. At a time when many Canadian investors and speculators were enthusiastic—even aflame—over lesser mining operations, the Americans sought to become identified with only those enterprises in a position eventually to dominate the particular phase of the industry in which they are engaged.

The writer was amazed upon interviewing Canadian investors to discover how opposite was their idea even at the present time. It was for this reason that in the previous article the position of Consolidated Mining and Smelters (in reality the mining department of Canadian Pacific) was more fully outlined in its relationship to Canadian mining as a whole. Previously in the financial analysis of Smelters it had been outlined how the same building up of equities for stockholders that had been going on in C. P. R. was being employed here. The continual addition to reserves and property account that in the final analysis means a strong company capable of weathering any storm to the ultimate benefit of shareholders.

Flouts Segregation

The very financial security of Canadian Pacific, bulwarked as it is with its numerous investments outside of direct railway transportation, leads to recurrence of the question of segregation of assets. It is easy to discern great immediate financial benefit from this operation. Because of this it is slight wonder that it should be desired by a large body of stockholders with an eye more upon the stock ticker than upon the larger aspects of railroad financing and the larger future benefits from adherence to C. P. R.'s tried and proven policy. The smaller stockholder, from the outside looking in, so to speak—in the same position as the student of Canadian railway transportation—has the right to an answer to this question. The position of the board of directors and management was outlined to The Financial Post by E. W. Beatty, president and chairman of the board.

It is the contention of the men at the helm of C. P. R. that in its consolidated position it presents financial invulnerability that could not be achieved if the company were severed into unrelated parts. This is so utterly true in the larger aspect of financing that even critics of the policy of consolidation do not deny it.

Continued discussion regarding segregation of assets—even at times what has amounted to propaganda—has given rise to various rumors. Some of these have been humorous, some have been ugly and without foundation. Of this nature has been the report that without outside special income from sources other than railway operations, Canadian Pacific could not earn the seven dollar dividend it regularly pays from these operations. How little this rumor has in the way of foundation to stand upon is shown by examination of net railway operating revenue over a period of years—a report that must be made to the government at Ottawa. Going back over a decade we select the year in which the lowest net operating revenue was reported in this period. This figure is $32,933,036 for 1919. Subtraction of $10,161,510 fixed charges and $3,227,277 preferred dividends leaves the balance of $19,544,249 applicable to the 2,489,134 ordinary shares then outstanding. The result is a slim margin over the seven dollar requirement; not quite approximating eight dollars. This is a narrow margin it is true, but this was the lowest operating net revenue reported in over a decade.

When we look at the picture for 1928, estimating fixed charges and preferred dividends from last year's disbursements we discover a more promising aspect. Canadian Pacific is assured of reporting net railway operating revenue this year of upwards of $47,000,000—possibly approximating $50,000,000. At the lower figure, frankly conservative, the subtraction of $15,378,867 fixed charges and $4,005,944 preferred dividends leaves $27,615,189 applicable to the ordinary shares—a balance well over $9 per share. And both of these reports are after taxes, in that Canadian Pacific has always included this item in the operating expense account. How this rumor could gain wide credence is surprising when the statistical data are available to anyone who would analyze them. Reporting as it does to the Dominion government, it is possibly amiss to say that any C. P. R. stockholder needs be on the outside looking in.

Contrasting Rates

This record of earning power from railway operations was made by Canadian Pacific with substantially the lowest freight rates of any trunk line railway on the American continent, and even the world. It is generally recognized that Canadian rates average lower than any other major railway lines.

In comparison with Class One railroads in the United States, C. P. R. has averaged freight rates one to twenty per cent. lower during the last decade. The average rate is now approximately eight per cent. lower. When compared with the Northwestern roads, hauling the bulk of America's northwestern grain, C. P. R. is over six per cent. lower in rates. And it must be remembered that one of these lines has only recently emerged from a receivership into which it was forced by these low freight rates and that within the last decade both of the other roads were forced to reduce their dividend payments.

Upward revision of freight rates since the war due to increases in materials and wages have averaged 54 per cent. in the United States and 43 per cent. in Canada. The increase in costs has been proportionally the same on both sides of the border. Upon the basis of valuation, C. P. R. reporting original cost of its properties (though the same could not be reproduced to-day for many millions additional) the road has earned barely four per cent. the last decade. It earned as low as 3.70 per cent. in 1921 and never above the 4.66 per cent. reported in 1926. The above facts are perhaps the surest guarantee that Canadian Pacific need have no fear of unreasonable readjustment of rates within the near future. The reasonableness of the Canadian shipping public in recognition of C. P. R.'s dedication to the service of the Dominion is a certainty.

We now come to the problem of establishing a basis of values for the Canadian shareholder and investor. There is no valuation of railways bureau here such as is attached to the Interstate Commerce Commission at Washington. However, Canadian Pacific makes no attempt to establish a valuation upon a reproduction basis—which is to say the cost of building C. P. R. as it stands to-day. The original cost is allowed to stand. And what of the millions invested in property account that have appreciated? What of the the outside investments which have appreciated millions in market value? These profits are there in the form of increased equity for the shareholder. How is he to benefit? Here is presented a problem in corporation finance.

Segregation of assets is what Wall Street seemed to desire a year ago as it bought heavily into Canadian Pacific. But now with the ordinary shares approximating the highest figure of the year, evidence of accumulation by investors looking forward to increased profits, talk of this is no longer heard. It is as if the policy of C. P. R.'s management has been vindicated and there will be no segregation of assets—a tendency to weaken the financial structure as previously outlined.

An increase in dividends? This is hardly to be expected in that ten per cent. is substantial on par value, if only a yield of 4.55 per cent. on market price.

Additional rights in stock for the shareholder? This is the most likely method looking forward to capitalization of Canadian Pacific's increased equities for shareholders. Let us examine the record of such disbursements.

Seven Stock Offerings

From the years 1902 to 1913 C. P. R. made seven separate offerings of additional stock to shareholders. These averaged on the basis of two new shares for each ten held. There were two distributions of three to ten and one of one to ten. The first four of these offerings was at $100 per share, the next at $125, the sixth at $150 and the seventh at $175. An average of $121.45 per share for the seven offerings.

During this period Canadian Pacific ordinary shares ranged in price from a low of 109½ in 1904 to a high of 283 in 1912. The average yearly market price ranged from 122 to 255. The average price for the full twelve years disregarding fractional cents, was $179 per share. This is a difference of $58 per share between the average price of stock offerings and market price — which is to say that Canadian Pacific ordinary shares always averaged $58 per share higher than the price at which new shares were offered stockholders the seven times in these twelve years.

The war interrupted this method of financing requirements from offerings within the closed corporation of C. P. R. shareholders alone, so to speak, and at the same time capitalize assets. After 1912 it was not until 1927 that additional rights to subscribe to new shares were offered to stockholders. In August, 1927, an additional 400,000 shares of ordinary stock was offered to stockholders at $150 on the basis of one new share for eight held. The average price of the shares last year was $192 or $42 above the offered price.

Canadian Pacific's authorized ordinary capital stock as approved by the Governor-in-Council of Canada is listed at $335,000,000. Directors on May 4, 1927, were authorized by shareholders to distribute the $75,000,000 difference between authorized capital and capital stock (ordinary) outstanding in accordance with requirements of the company. The offering of $40,000,000 in August, 1927, leaves an additional $35,000,000 in shares to be likewise distributed at the discretion of the directors. It is to be presumed that the offering made in 1927 represents a return by the company to the policy pursued between 1902 and 1913. If this should prove to be correct, there looms the possibility in the future of not only the offering of $35,000,000 shares remaining in the treasury but of an increase in the authorized capital of Canadian Pacific ordinary shares. And while there is no tendency toward segregation of assets, it is not beyond remote possibility that the future could develop a stock dividend.

Upon this basis, and in view of the record earnings report assured for 1928, is explained the accumulation of Canadian Pacific ordinary which has been noted in the open market.

In the final analysis Canadian Pacific stands out as one of the world's paramount investments in transportation—next to agriculture, the most essential of all industries.

"MADE IN CANADA"

IN 1705, the colonists of New France, owing to the loss of supply ships from the Mother Country, were forced to manufacture rough cloth from nettles and the inner bark of basswood. In 1737 furnaces were built in the St. Maurice Valley, Quebec, to smelt iron ore. From such humble beginnings Canadian industry was developed. Today 22,000 Canadian factories and mills pay wages annually of nearly $500,000,000 and turn out merchandise to the value of about $3,000,000,000 per annum.

This great organization, of national and international reputation, was not created without difficulty, despite willing workers and an abundance of raw materials and water power. For the Canadian manufacturer of 25 or 30 years ago was an inexperienced youth compared to the industrial magnates of the outside world. Small Canadian workshops, however, were gradually transformed into large plants, the quality of goods was steadily improved and new markets were developed.

Shortly after the Great War opened Canadian industry was taxed to the utmost to meet domestic needs and to supply the army. Then came the depressing aftermath. Between 1920 and 1924 over 1100 manufacturing establishments were closed. It took real courage and genius to survive under such adversity. But now, Canadian industry is on solid ground, at home and abroad.

A strong industrial organization is essential to a well-balanced economic structure. Realizing this, The Canadian Bank of Commerce built up, early in its career, a service based upon the development of Canadian industry. Today, over 200 of this Bank's 574 branches serve the manufacturers of Canada.

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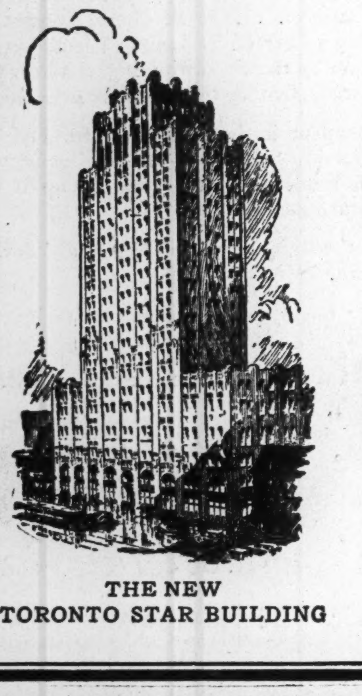

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BELL TELEPHONE GROWING RAPIDLY IN TORONTO AREA

That Is Why Company Needs New Building In That City

Anticipating a steady growth in business and population for Toronto and the surrounding district, the Bell Telephone Company of Canada has recently completed the purchase of an outstanding site in Toronto for the erection of a new administration building with which to cope with the increasing demands upon the company for service.

While the time of construction has not as yet been decided and only tentative plans have been made, the company has purchased the site in order to forestall expected increase in realty values. The site chosen is on University Avenue. The site is bounded on three sides by streets. It is stated that the building when erected will rival the head office of the company in Montreal.

The location chosen is most central to the business section of Toronto and is on one of the finest and widest streets in the city. The Canada Life Assurance Company has recently purchased a site for a new head office building on the opposite side of University Avenue and it is expected that within only a few years the avenue, which leads to the parliament buildings, will be completely built up with the latest in modern office architecture.

Company Grows Rapidly

K. J. Dunstan, vice-president of the Bell Telephone Company of Canada, stated when interviewed by The Financial Post, that the growth of Toronto during the past ten years has been so great that it was essential that the company take steps to provide for future expansion to take care of the increasing needs of the community. During the past ten years Toronto's growth in population has been over 23 per cent. and during the same period the increase in the number of telephones has been 160 per cent. It is estimated by the company that during the next ten years Toronto will grow in population by 30 per cent. over the present figures.

At the present time the company occupies some 40,000 feet of rented office space in Toronto, in addition to the present head office, and has some 5,400 employees. This staff must be increased with the pressure of new business and it is planned that the new building will be given entirely to the office staff of the Toronto district as well as the staff of the Ontario Central Division which has headquarters at Toronto.

Big Cable Program

In addition to extensive changes to the dial system in Toronto, the company is committed to a heavy program of new cables. A cable has been extended from Toronto to Hamilton and on to Bridgeburg, while yet another between Toronto and Montreal has been started. Following completion of this cable, a line between Toronto and Windsor is proposed. The great increase in toll calls is given as the reason for this extensive program and also the fact that there is not enough space on the highways to accommodate new poles for pole lines. The cable system will be more efficient than the pole lines as the cables are not affected by the weather conditions to such an extent. Developments in the industry during the past few years now enable long distance calls to be put through to 26 million people on this continent and in Europe.

Sawyer-Massey Holders Get New Scrip at Once

Shareholders in the old Sawyer-Massey Co., Ltd., have been notified that they should deposit certificates by December 15 in order to receive certificates of Sawyer-Massey, Ltd. The old company has been in process of liquidation since the spring of 1927.

Shareholders of the old company will receive one no-par common share in the new company for share of preferred in the old company and one new common share for every ten old common shares. Thus shareholders of the old company will hold 16,500 shares of the stock of 50,000 new shares issued.

Hodgson Brothers Elect Director

MONTREAL.—Hodgson Brothers and Company, Limited, investment bankers, announce the election of S. M. MacNeil, who has been sales manager for the past six months, as a director of the firm. Previous to joining Hodgson Brothers, Mr. MacNeil was for five years with the Bank of Montreal.

WEST KOOTENAY POWER PROJECT ON WIDE SCALE

Site on Pend Oreille Will Develop 80,000 H.P.

COST OVER $4,000,000

Gigantic Development at Trail and Other Points Make Large Addition One of Necessity

From Our Own Correspondent

MONTREAL. — The proposed hydro-electric development of the West Kootenay Power Company on the Canadian side of the Pend Oreille River, south of Trail, is to be much larger than the preliminary notice indicated.

The company has applied to the British Columbia minister of lands for license to allow it to divert six thousand cubic feet a second.

Detailed plans, accompanying the application, show that the project will be one of the largest undertakings in Western Canada, and virtually the equal of B. C. Power's development on Bridge River.

Develop 80,000 h.p.

Eighty thousand horsepower has been set as the objective of the Pend Oreille scheme. This is 20,000 horsepower larger than the company's largest plant at Bonnington Falls, and its new plant at South Slocan.

It is estimated that a minimum expenditure of $4,000,000 will be necessary to complete the undertaking.

Gigantic developments at the Trail smelter and other interior industries necessitate this large addition to the province's active water powers. By the time the new plant is ready, every horsepower it can produce will be needed to supply the company's demands, it is expected. At the moment all the resources of the company are taxed to serve its many customers, chief among them the Consolidated Mining and Smelting Company's smelter at Trail.

Extend Markets

The definite decision of the company to go ahead with the Pend Oreille development, which has been under consideration for some time, synchronizes with the announcement that it will apply to the Legislature to legalize the sale of its power outside a limited area around Rossland. In other words, it is preparing to continue the sale of power to big industries and important communities, and is preparing to produce the necessary electricity.

What will be the outcome of the business war between the power concern and its large customer, the Granby Consolidated Mining and Smelting Company, at Allenby, is not known by government officials. At the moment the dispute is in the courts, and the West Kootenay Company is prevented from turning off the Granby power by an injunction, following its implied public threat to do so should the Granby interests cease to smelt their ores at Trail. These ores have been moving to Tacoma recently, as the Granby Company feel that they are overcharged not only for power but also for smelting at the Trail plant.

Second Largest Project

The size of the new Pend Oreille plant is indicated by its comparison with the other plants of the West Kootenay Company. Its largest plant at Bonnington develops 60,000 horsepower, while at South Slocan it is about to open another plant of similar size. The Slave River plant of the B. C. Power Corporation is somewhat larger, developing 90,000 horsepower, while at Bridge River the company's initial development calls for about the same output as that of the Pend Oreille scheme.

The Pend Oreille plant will take about two years to complete, it is expected. Meanwhile the South Slocan plant should be operating in a few weeks, increasing interior power production by 60,000 horsepower.

SHAWINIGAN ADDS SEVENTH BIG UNIT TO POWER SYSTEM

Falls Plant Alone Now Has Capacity of Nearly 320,000 H.P.

From Our Own Correspondent

MONTREAL. — Power produced by the Shawinigan Water and Power Company is rapidly approaching the 7[illegible]0,000 horsepower mark. If the resale of purchased power is taken into consideration, the company is now handling more than that amount.

This week No. 7 unit at Shawinigan Falls was brought into operation. It has a capacity of 45,000 horsepower, being one of the largest units on the continent, and the entire output was immediately absorbed into the Shawinigan system.

This big unit has been completed within twelve months, the work having been carried out by the Shawinigan Construction Company, which is now engaged upon the installation of No. 8 unit which will be a duplicate of No. 7 and which is expected to be producing by March, 1929.

Like the No. 6 unit, which came into production some time ago, the water is conveyed to the power house through tunnels cut out of solid rock. The addition of the output of No. 7 unit brings the total production at Shawinigan Falls plant alone to 320,000 horsepower.

On the occasion of No. 7 unit being placed in commercial service, no less than 10,000,000 k.w.h. of energy was produced and sold.

Despite curtailment of activity in the newsprint industry, the company's business has been steadily expanding, and it is understood it will sell more electricity this year than ever before.

The completion of the new units will mean more to Shawinigan than just so much more horsepower, for it is reasonable to believe, in view of the fact that these units are merely additions to existing plant, operating costs will be substantially reduced through their installation at relatively small expense.

Harding Carpet Earnings in Excess of Estimates

Harding Carpets, Ltd., of Brantford, it is reported, will earn in excess of $114,000 estimated at the time of the organization of the company a year ago. The company has been operating full time for the last six months and some overtime has been necessary, it is said.

The company's fiscal year ends December 31.

Aviation License for U. S. Fidelity

The United States Fidelity and Guaranty Co. has applied to Ottawa for a licence to write aviation insurance in Canada. No information is available at present as to the company's plans in this connection, but an announcement is expected shortly. At present there are only two other Canadian insurance companies licensed at Ottawa to write aviation business, but in the past few years not a dollar of premium income has been recorded under this class.

The entire business at the moment is being written through one of three big American groups, which are specializing in this class of risk, and a few months ago the head office of the United States Fidelity at Baltimore announced that it had joined one of these groups for the purpose of handling this business.

COMPLETE FIRST GATINEAU POWER UNIT SCHEDULED

Three Sites Now Developed and I. P. Mills in Operation

From Our Own Correspondent

MONTREAL.—Canadian International Paper and Gatineau Power companies have now completed the first stage of the program of development of the wood and power resources of the Gatineau River.

Within three years, three large sites on the river have been developed with hydro-electric plants, a storage dam has been built above them to regulate the flow of the river, and a newsprint mill and a fibreboard plant have been constructed to utilize the pulpwood resources of the river valley.

Two of the hydro-electric developments on the Gatineau River—at Farmers and Chelsea—are within six miles of Ottawa and have been in operation over a year. The third station—at Paugan, twenty-five miles further upstream—came into operation on October 1 when it commenced delivery of 80,000 horsepower to the Hydro-Electric Power Commission of Ontario. The power is being sent over a 220,000 volt transmission line 230 miles long and is being distributed by the Commission in the Toronto area to supplement the power now being supplied by Niagara Falls.

Capacity 436,000 h.p.

The combined capacity of the generators in these power houses—now running or in process of installation—is 436,000 horsepower, one and two-thirds times the developed capacity of the Muscle Shoals project. Space is provided in the power houses for generators totalling an additional 126,000 horsepower.

Ninety miles above the Paugan development a storage dam has been built by the company—under the direction of the Quebec Streams Commission—for the seasonal regulation of the flow of the Gatineau River. With a storage capacity of one hundred billion cubic feet, the reservoir formed by this dam ranks as one of the largest artificial storage reservoirs in the world.

Huge Paper Mill

Two miles below the confluence of the Gatineau and Ottawa Rivers is the Gatineau newsprint paper mill with a capacity of 600 tons of paper a day. The four paper machines in the mill are the largest single producers thus far installed in the world. Each machine is designed to produce a sheet of newsprint paper over twenty-one feet wide, at the rate of twenty feet a second.

Adjacent to the Gatineau mill, and also using electric power from the Gatineau River stations, there has been built a plant of an initial daily capacity of fifty tons of fibreboard. The mill is the largest of its kind in the British Empire, and its product is used for building and insulating purposes.

Moves to New Offices

MONTREAL.—Smith, Fairbanks and Company, members of the Montreal Stock Exchange and the Montreal Curb market, will move into new offices in the Royal Bank Building on Nov. 12.

Look West for New Business

Every indication points to a long, strong pull of economic forces for progress in Western Canada.

Three good crops in succession, new wealth in minerals being won, money made available for new enterprises, water power harnessed, territories once exclusively agricultural being industrialized, the Panama Canal and reduced railway freight rates overcoming the old handicap of costly transportation—

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PROCLAIMS MERIT OF POWER CORP'N TO U.S. READERS

Investment Banker Compares to Electric Bond and Share

By A. D. WATTS.
In the Electrical World, New York

One of the most important factors in connection with Canada's undeveloped hydro-electric power sites is their location adjacent to large and important industrial centres; for instance, Montreal, Quebec, Toronto, Winnipeg and Vancouver each has more than a million hydro-electric horsepower within reasonable transmission distance. This situation, combined with the fact that nearly all of these cities have the added advantage of water transportation for the assembly of their raw materials and shipment of manufactured goods, means that the development of Canada's extensive water power will proceed at a very rapid rate and that those corporations engaged in the financing, construction and operation of power plants in Canada can look forward to many years of profitable activity.

Comparable to U.S. Company

The Power Corporation of Canada, which was incorporated in 1925, has grown rapidly and to-day holds a position in Canada comparable to that of the Electric Bond & Share Company and similar organizations in the United States. The company was formed as a holding company for electric light and power companies and also to finance, construct, operate and manage public utility properties. Therefore, it enjoys four separate and distinct sources of income, all of which should prove exceedingly profitable in a rapidly developing country such as Canada.

The Power Corporation also provides, for the use of a considerable number of large, medium and small public utility companies which could not otherwise maintain such service, the advantage of its experience and the expert advice of its organization. This advice and supervision make for low construction and operating costs for the various companies and give the Power Corporation a moderate profit for its services. It holds control or acts as fiscal agent for some of the largest Canadian companies operating hydro-electric power plants in Quebec, Ontario, Manitoba and British Columbia. These companies have a total installed capacity of almost 500,000 h.p. and serve a population of about 1,000,000 people. Since its organization in 1925, earnings have expanded rapidly, as shown in the tabulation below.

Most of the above companies for the last five years have been forced to expand steadily, with the result that their capacity has been very considerably increased. In most cases a large portion of such expenditures have been made out of earnings. In addition, only very moderate dividends are being paid in order that large surplus may be established partly to care for future expansion; therefore, a very valuable equity is being built up behind their common stocks, which in due course will enable very much higher dividends to be paid, with a corresponding capital appreciation in the market value of these securities.

Canada's Period of Prosperity

Canada has now entered into a period of prosperity which is expected to last for many years. This prosperity is based on the growth of agriculture and the development of the country's natural resources, such as hydro-electric power, pulp and paper, mining, and the supplying of raw materials to the various markets. Exceptional rail and water transportation, combined with large supplies of skilled labor, added to ample financial resources, insures its prosperity and therefore an organization like the Power Corporation, engaged in the financing, construction, operation and management of a prime necessity, power, at a reasonable cost, can also look forward with assurance to a long period of prosperity with steadily increasing profits as its operations increase in size.

Few people realize that mining is rapidly becoming the leading industry, next to agriculture, and as it is a well-established fact that this industry requires enormous amounts of power for the operation of air compressors, hoists, pumping, crushing, grinding, etc., its growth is a very important factor to most power companies in Canada. Furthermore, mining companies pay higher rates for power, and this produces a relatively higher income. Another very important point is that mines usually operate on a very high load factor and this helps the big companies to balance up their operations.

The Power Corporation of Canada is also an investment trust, and through its powerful affiliations in the banking, public utility and industrial fields is able to buy investment stocks at attractive levels, taking profits when large advances have occurred in market prices and switching into other equally good securities which have not yet appreciated.

	1928 $	1927 $	1926 $
Capital involved	25,698,106	9,920,246	5,600,000
Net earnings	1,802,557	661,452	246,386
Earned per dollar of capital involved, per cent.	7.01	6.66	4.39

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Public Utility

		Maturity	Price	Approx. Yield
Canada Northern Power Corp.	5%	1953	97.50	5.15%
Gatineau Power Company	5%	1956	97.25	5.18%
Manitoba Power Co., Limited	5½%	1951	102.50	5.25%
Montreal Island Power Company (cum. warrants)	5½%	1957	101.00	5.40%
Southern Canada Power Co., Ltd.	5%	1955	101.50	4.90%

Industrial

Alexander Building Corporation	6%	1947	100.00	6.00%
Cdn. Power & Paper Investments (Carrying a bonus of 10 shares Common Stock with each $1000 Bond)	5%	1958	100.00	5.00%
Queen's Hotel Company	6%	1947	101.50	5.90%
Reliance Grain Company	6%	1948	102.50	5.85%

Preferred Stocks

Power Corporation of Canada	6%	Pref.	102.00	5.88%
Foreign Power Securities Corp.	6%	"	96.00	6.25%
McColl-Frontenac Oil Company	6%	"	Market	6.45%
Reliance Grain Co. Limited	6½%	"	99.00	6.50%
Windsor Hotel, Limited	6½%	"	Market	6.90%

Common Stocks

British Columbia Power Corporation Limited Class "A" Shares (No Par Value) Market

We invite your enquiries for investment service

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Hemp growing is gradually assuming promising proportions in Western Canada. Double the acreage of 1927 has been devoted to hemp growing at this point and the yield is very good. The Manitoba Cordage Company, Limited, reports an increasing demand for its products.

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has become associated with this firm.

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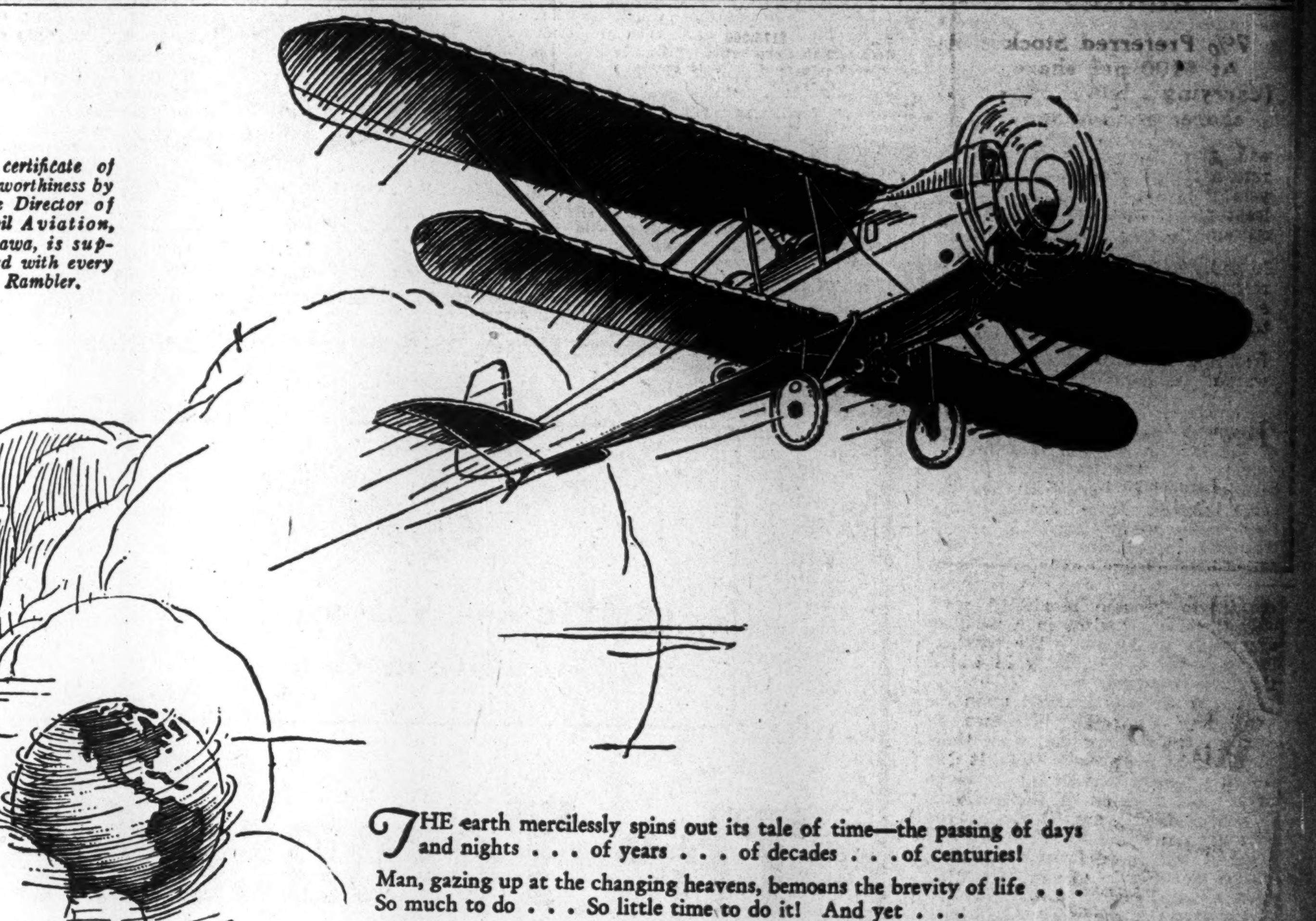

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. . . How much time is wasted! . . . How readily we allow distance to devour time . . . How uncomplainingly we permit the obstacles of earthbound travel to pilfer wholesale our most priceless possession—Time!

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The Class "A" Common Shares are entitled to non-cumulative dividends at the rate of $2.25 per year, giving the attractive yield of 6.42%. These shares carry a bonus of 40% of Class "B" shares, which are to participate in the profits, if there remains a surplus available for dividends, after payment of $2.25 on the Class "A" shares; in the case of a further disbursement, both classes of shares will participate equally until the dividend of the Class "A" shares has been increased from $2.25 to $3.00 a share; all additional dividends declared shall be paid on the Class "B" shares only.

If a profit equal to that of 1927 — $105,066 — was to be disbursed in full, the Class "A" shares would be entitled to a dividend of $3 and the Class "B" shares to $1.56. The outlook is highly promising and we believe that these shares offer an exceptional investment.

Price: $35.00 per Class "A" share and dividend.

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News of Investment Markets

REAL SILK MILLS CONTROL CHANGES TO NEW COMPANY

Offering Stock in Newly Formed Ontario Firm

From Our Own Correspondent

MONTREAL.—A. L. Jelley and Company, of New York, are publicly offering 30,000 no par value convertible preference shares of the National Hosiery Mills, Ltd.

National Hosiery Mills was incorporated in Ontario last July to acquire all the assets and business of the Real Silk Hosiery Mills of Canada, which was organized as a private corporation in July, 1925, having acquired the exclusive Canadian franchise for the name and distributing methods of the Real Silk Hosiery Mills, Inc., of Indianapolis.

Starting in a small way, importing all of its merchandise from the Indianapolis company, the Real Silk Hosiery Mills of Canada has since established 15 branch offices throughout Canada, employing more than 250 salesmen, has installed its own manufacturing equipment and is now producing its own Real Silk hosiery products in Canada.

Details of the issue follow:

30,000 Shares
(No Par Value)
National Hosiery Mills, Ltd.
Convertible Preference Stock
(Upon completion of this financing)

Capital:	Authorized Shares	Outstanding Shares
Convertible pref. stock (n.p.v.)	50,000	50,000
Common stock, n.p.v. .	100,000	100,000

50,000 shares of common remain in treasury for converting of preferred.

Business: Manufacturers and distributors of Real Silk products.

Prospects: Company now has in excess of 90,000 repeat-order customers throughout Canada, and is adding about 30 men weekly to its sales force.

Conversion Privileges: May be converted on share for share basis into common up to and including July 1, 1933, after which date the company has the right to redeem all or any part of the preferred shares outstanding at $17.50 a share.

Dividends: Expect to inaugurate dividends on the preferred at the yearly rate of 70 cents a share for the second quarter of 1929, which will begin April 1.

Management: There will be no change.

Purpose of Issue: Proceeds will be used to finance the building of a new mill and dye house, to purchase additional machinery, to finance general expansion, and to use as working capital.

Offer: A. L. Jelley & Company. Price on application.

METROPOLITAN CORP. DISPOSE OF BONDS

All of Authorized Issue "A" Now in Hands of Public

From Our Own Correspondent

MONTREAL.—An additional offering of $175,000 first mortgage bonds, Series "A" 6 per cent., of Metropolitan Corporation of Canada, Ltd., are being offered this week by Greenshields & Co. This represents the balance of an authorized issue of $1,300,000.

Metropolitan Chain Stores, Inc., which leases the properties of Metropolitan Corporation, now operates a total of 104 stores in the United States and Canada, with a gross business of about $14,000,000 per annum.

Particulars of the issue follow:

$175,000
Metropolitan Corporation of Canada
1st Mortgage S. F. Gold Bonds
Series "A", 6%

Dated: Oct. 1, 1928. **Due:** Oct. 1, 1947.
Series "A" Bonds authorized $1,300,000.
Presently Issued .... $1,300,000.

Sinking Fund: Commencing October 1, 1930, sufficient to retire $700,000 by maturity.

Company: Has acquired ownership in fee of chain store properties in 11 Canadian cities, which are leased to Metropolitan Stores, Ltd., for a period of 25 years at an annual net cash rental of $240,000, payable monthly in advance.

Security: First mortgage of all properties and by assignment to trustee of 25 year leases of such property to Metropolitan Chain Stores, Inc., and Metropolitan Stores, Limited.

Earnings: Leases provide for the payment by operating companies of all taxes, insurance and miscellaneous expenses, and, in addition, an aggregate annual cash rental of $240.000. This is equivalent to more than three times annual interest requirements and more than 2¼ times the maximum annual interest and sinking fund requirements of the total issue.

Offer: Greenshields & Co., at 99 and accrued interest, yielding over 6.05 per cent.

Normandin Water Works Mortgage Bonds Offered

From Our Own Correspondent

MONTREAL.—An issue of $50,000, 6 per cent. first mortgage bonds of La Corporation d'Aqueduc de Normandin is being publicly offered this week by Dubé, Leblond & Compagnie, Inc., of Quebec City.

Proceeds of this issue will be used for the construction of a modern water works system in the town of Normandin, and in the parish of Normandin, in Lake St. John county.

Further particulars of the issue follow:

$50,000
La Corporation d'Aqueduc de Normandin
6% First Mortgage Bonds

Dated: Nov. 1, 1928. **Due:** Nov. 1, 1943.

Purpose of Issue: Construction of water works system at Normandin, Lake St. John County, P.Q.

Security: Secured by a first mortgage on the system and present and future assets of the company and the franchise made with the municipality in July, 1928, for a period of 25 years.

Revenue: Revenues are estimated by the engineers at over $7,000 per annum. The Public Service Utility Commission will fix rates which will enable the company to earn a reasonable profit on its investment.

Offer: Dubé, Leblond and Compagnie, Inc., at 100 and accrued interest, to yield 6 per cent.

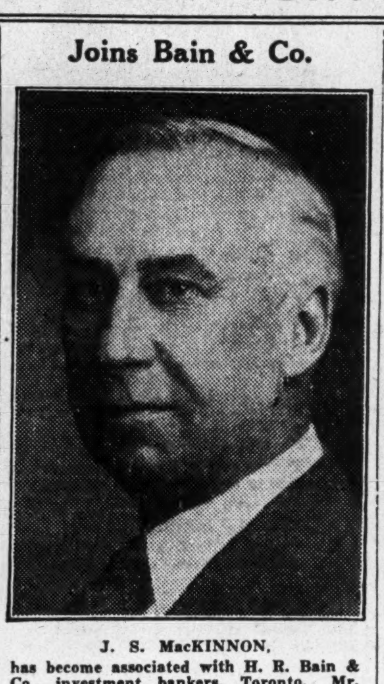
Kippen, Newton and Co. Open Office in London

From Our Own Correspondent

MONTREAL.—Kippen, Newton and Co., members of the Montreal Stock Exchange, announce the opening of an office in the Royal Bank Building, London, Ont., under the managership of Lt.-Col. Wm. H. Kippen, D.S.O., M.C.

The London office has direct wire connections with Montreal, Toronto and New York, and is equipped to give a complete investment and brokerage service.

Joins Bain & Co.



J. S. MacKINNON,
has become associated with H. R. Bain & Co., investment bankers, Toronto. Mr. MacKinnon was formerly president of the Canadian Manufacturers Association.

HONEY DEW AGAIN WILL BE FINANCED

Further Funds Needed for Rapid Expansion of Business

New financing plans for Honey Dew Limited, are now under way and will be completed in about two weeks, The Financial Post is informed. The additional capital thus acquired will be used for further expansion of the company's business.

The new issue, which is being underwritten by Cochran, Hay & Co., Ltd., will consist of 1,500,000 no par value class "A" preferred shares. Each share will carry a cumulative dividend of $7 per annum, be preferred as to assets and dividends and redeemable at $110. A bonus of one-half share of no par value common stock will be given with each share of preferred. The new issue will replace the $650,000, par $100, 7 per cent. preferred now outstanding. There are also outstanding 100,000 shares no par value common, 70 per cent. of which is owned by Orange Crush.

Operates 25 Stores

Honey Dew, Limited, was incorporated early in 1928 to take over the organization of the same name which had been in operation since 1916. The company operates a number of stores in Ontario and Quebec which carry on a light restaurant business.

Honey Dew, Limited, the parent company, owns the full rights to operate the Honey Dew business across the border in the United States.

The acquisition of these rights in July of this year gave the company a field for expansion that is practically unlimited. The parent company now controls the exclusive right to manufacture and sell "Honey Dew" throughout the entire North American and South American continents.

A year and a half ago the company had three stores in operation, to-day there are some 25 units in full operation and the new financing will bring into operation new stores throughout Canada and in all probability a number in the United States. Earnings of the Canadian stores are reported to be in excess of estimates.

Ont. Malleable, Grinnell Now Are Affiliated

Amalgamation of the Ontario Malleable Iron Co., of Oshawa, with the Grinnell Company of Canada, Ltd., Toronto, will unite two strongly established firms manufacturing malleable iron fittings. The companies will retain their present names. F. W. Cowan, president of the Ontario Malleable, will become chairman of the board of directors of the reorganized company and Russell Grinnell will become president. The board of the new Ontario Malleable Iron Co. will be F. W. Cowan, John Dyer, Russell Grinnell, L. W. Jones, W. L. Horn, H. B. Johnson, C. G. Sherman.

Ontario Malleable Iron was founded at Oshawa in 1872 by the father and uncle of F. W. Cowan. Mr. Cowan is retiring from active business. The Grinnell Company entered the Canadian field in 1904, specializing in the manufacture and installation of automatic sprinklers. It is reported that to secure control by the Grinnell Company the amount involved was close to $1,000,000.

Bond Notices

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
St. Law. Paper Mills 10-yr. debs.	6½%	1929	Jan. 2	102
Que. R. L. H. & P.	5%	1939	Dec. 1	105
Canada Vinegars	6½%	1945	Dec. 1	105
Mercury Mills	6½%	1942	Nov. 15	105
Howard Smith	[illegible]%	1934	Dec. 1	105
Rolland Paper	6%	....	Jan. 2	105
Lake Superior Paper	6%	1941	Mar. 1	105
Page Hersey Tubes	6%	1926	Dec. 1	105
Rolland Paper	6%	1932	Jan. 2	105
Can. Vinegars	6½%	1945	Dec. 1	105
Bawlf T. Grain	6%	1947	Dec. 1	101½
Abitibi Power	6%	....	Dec. 1	Var.

Tenders and By-laws

Nov. 12.—Parish of St. Foy, P.Q.—$12.000, 5 per cent., serial bonds. J. Morin, sec.-treas.

Nov. 12.—Township of Melbourne, P.Q.— $30,000, 5 per cent. serial bonds. R. S. Dunbar, sec.-treas.

Nov. 12.—Mun. of Clifton.—$7,000, 5 per cent. 20-yr. serial bonds. J. M. Perusse, sec.-treas., Martinville.

Dec. 1.—Shelburne.—$70,000, 5 per cent. 20-instalment.

Nov. 23.—Town of Terrebonne, P.Q.— $100,000, 5 per cent. bonds, redeemable serially from October, 1929, to the first of October, 1968. Osias Vezina, sec.-treas.

Nov. 22.—Magog, Que.—$92,000, 5 per cent. debentures, redeemable serially from November 1, 1929, to November 1, 1958. Alf. Tourigny, sec.treas.

Nov. 20.—Noranda.—$360,000, 5 per cent. 40-yr., serial bonds; $20,000, 5 per cent. 10-yr. serial bonds. Frederic Hebert, sec.-treas.

CABINET AT ODDS ON INCORPORATING INVESTING TRUSTS

Robb Against Practice, But Secretary of State Carries On

From Our Own Correspondent

OTTAWA.—The long standing controversy between the trust companies of Canada and the Federal government in regard to the incorporation of investment companies as investment "trusts" appears to have been decided against the trust companies and acting upon the decision, the Federal government has been permitting new investment trusts to come into existence from time to time.

A few weeks ago letters patent were granted to the British Columbia Investment Trust Company and several others have gone through. In incorporating these companies the Federal government claims to have made painstaking inquiries to make sure the promoters were men of substance and good character, but no special conditions were imposed. The incorporators were required only to fulfill the usual conditions before obtaining letters patent.

Feared Loss of Confidence

About one year ago, when it appeared likely that there would be an epidemic of new investment companies, the trust companies of Canada came to Ottawa and protested against the government granting charters to these new companies which permit them to use the word "trust." It is pointed out that the business of an investment company must, in the very nature of things, be speculative and that it was more than likely that some of them would meet with adverse fortune. In that even the investing public might be taught, by experience, to be wary of all companies using the word trust in their titles.

In this way the old line trust companies, who carry on a very conservative and sound business and who do not operate in the same way as the new investment trusts would be injured. It was admitted that there was justice in their plea. The trust companies are subjected by the Federal government to most rigid supervision whereas the new investment trusts escaped without more supervision than is visited upon any commercial enterprise, which, in practice, amounts to no supervision at all.

Companies Had Understanding

There was some talk of bringing down an amendment to the companies act restricting the use of the word "trust" to trust companies in the sense in which it always was applied prior to the inauguration of the investment trust idea. Finally, however, this was abandoned and the trust company men left Ottawa, last March, with the distinct understanding that the government had undertaken not to put through any further incorporations of investment trusts. Such enterprises were to be able to obtain letters patent, of course, but were not to be permitted to put the word trust in their titles.

Apparently there has been some misunderstanding because the government has resumed the practice of granting these incorporations and the senior officials of the department concerned declare that they have no knowledge of any undertaking of this kind.

Looks Like Breach of Faith

The action of the government, however, appears to have all ear marks of a breach of faith with the trust companies, although it is not suggested that the breach has been made by design. The granting of incorporations is the function of the Secretary of State, whereas the control of trust companies is the function of Hon. J. A. Robb, minister of finance. It was from Mr. Robb that the trust company men claimed to have received their promise and he may not be aware of the actions of his colleague. Likewise his colleague may not be aware of the conversations between Mr. Robb and the trust men.

The proper course to be followed would be for the trust company men to come to the capital and bring the matter to the attention of the government.

Howe Lumber Will Ask to Surrender Charter

From Our Own Correspondent

MONTREAL.—The Howe Lumber Company intends to apply for leave to surrender its charter. This step finally eliminates the old company, and leaves the way clear for the company of the same name which was incorporated in March of this year.

The new financing which accompanied the incorporation consists of an issue of first and second preferred stocks of $350,000 and $220,000 outstanding respectively, in addition to 15,000 shares of no par value. The company has no funded debt.

Howe Lumber Company is engaged in the wholesale and retail lumber trade in Eastern Canada, with headquarters and principal plant at Three Rivers, Que. The company also operates a branch at Shawinigan Falls. Good progress is reported since the refinancing in the spring of this year.

Elect Exchange Member

MONTREAL.—Francis Hampson Cundill, who has been elected as a member of the Montreal Stock Exchange, is a junior partner in the firm of Kingstone & Mackenzie, stock brokers, and will handle his firm's floor business on the exchange.

BROCKVILLE LOAN GIVE STOCK RIGHTS TO SHAREHOLDERS

Ratio Fixed at Three New for Ten of Old Shares

From Our Own Correspondent

MONTREAL.—Shareholders of the Brockville Loan and Savings Company, according to a circular issued this week, are to be given the right, under the terms of the decision recently reached to issue the balance of the company's authorized capital stock amounting to $150,000, to subscribe for new stock in the ratio of three additional shares for each seven held on October 27 at a price of $55 a share.

The company is also making application for authority to add the business of a trust company to its present activities.

The report of the company for 1927 shows total assets of $1,250,770, of which $1,134,589 represents mortgages, other loans $21,750, securities $73,019, and the balance real estate, cash, etc.

Liabilities to the public consist of $172,363 of debentures, $496,744 saving deposits and miscellaneous $9,128, a total of $678,235. The capital stock amounts to $350,000, reserves $205,000, and the balance undivided profits.

Between 1922 and 1927, profits of the Brockville Loan and Savings have increased from $35,195 to $39,820, the latter figure representing 11.2 stock. A dividend of 7 per cent. has been paid regularly.

I.P. Meets with Opposition to Lake Temiscouata Project

From Our Own Correspondent

MONTREAL.—Apparently International Paper Company will not be allowed to go ahead with its plans as at present formulated to dam Lake Temiscouata and one of its principal tributaries, Toulade River, according to information emanating from Quebec City this week.

A delegation from Rimouski and Temiscouta waited upon the Premier to protest against the project and they were informed that the provincial government would not sanction the plans as submitted.

The property involved is said to be eminently suited for colonization purposes. The delegation stated that it was not opposed to the damming of Lake Temiscouata, under certain conditions, the chief of which was that the water level be not raised by more than seven and a half feet above the summer low level.

As regards the damming of the Toulade River, the delegation voiced its opposition, because all the region, which is suited for agriculture, would be flooded.

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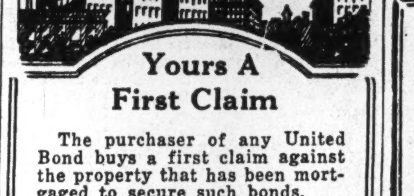

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BREWERIES POOL MEET DIFFICULTY UNLOADING STOCK

Post Statement on Split is Viewed as Constructive Factor

From Our Own Correspondent

MONTREAL.—The announcement in The Financial Post last week that owing to new developments the management of National Breweries was not considering at the moment a split in the common stock on the basis of three for one or an increased dividend, was received with mixed feelings by traders on the Montreal Stock Exchange.

Those who had bought Breweries as an investment did not see anything amiss in the statement. The fact that the company has been able to retire a $1,000,000 in bonds this year and start a programme of plant improvements which will involve nearly a $1,500,000, was enough assurance to them that the company was making excellent headway.

Further the common shareholder knows that the business of the company must have increased considerably to date in order to allow the management to make such a favorable showing.

On the other hand, the pool that has been manipulating this stock, and, of course its speculator followers, was not long in circulating stories to the effect that Breweries would immediately split the stock, increase the dividend, etc.

Difficult to Unload

The action of the market this week indicates that the pool is finding it difficult to unload its holdings in view of the statement in The Financial Post to the effect that the split in shares was a long way off.

The attempt to run up a well-known and seasoned stock in a bull market has been made on many occasions. While it does not affect the fiscal position of the company concerned, it too frequently forces the hands of the management to make changes in the capital structure not at all in the best interests of the company.

With a conservative management of the type of National Breweries, such an event is not at all likely. When the company is in a position to split its stock, or maintain an increased dividend, then the directors will see that the shareholders participate in the increased prosperity. And until that time National Breweries will carry on along its present progressive lines, without undue regard to the activities of "pool" operators.

National Brick Plants Near Capacity for Part of Year

From Our Own Correspondent

MONTREAL.—The record volume of building construction during the current year has resulted in an outstanding demand for the products of the National Brick, of Laprairie. The plants have been kept at or close to capacity during the best part of the year.

It is understood that earnings so far have been running greatly in excess of preferred requirements and that the report for the fiscal period ending February 28th next should show between $9 and $10 on the preferred stock. Early in the new year it seems likely that the directors will have some plan of capital re-construction to submit to the shareholders in order to wipe out the arrears on preferred which now amount to 23 per cent.

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MONTREAL

DOMINION SQUARE CORPORATION

First (Closed) Mortgage 6% Gold Bonds

DOMINION SQUARE BUILDING, a ten-story, general-commercial and office block of the most modern design and improved construction, and with many distinctive features, is now in course of erection by the George A. Fuller Company of Canada, Limited. Completion, free from liens, is guaranteed by the United States Realty & Improvement Company. The Title Guarantee & Trust Company of Canada has issued a title insurance policy of $5,000,000.

The site embraces an entire block in the centre of Montreal's uptown business section, being the area bounded by St. Catherine and Peel Streets, Metcalfe Street and Dominion Square. In its suitability as the site of a great business block as well as in its value this property is regarded by realty experts to be unsurpassed in Canada.

These properties, representing an actual cash investment of $7,750,000, are pledged under a First (Closed) and Specific Mortgage as security for the $5,000,000 of bonds. Annual net earnings, estimated on a conservative basis, after deductions for depreciation and liberal allowances for vacancies in office space, will provide more than twice the maximum annual interest requirements of the bonds.

Due April 1, 1948. Payable throughout Canada and in New York. Offered, subject to prior sale and change in price, at:

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	Sold To	Rate	Maturity	Amount	Price	Cost Basis
		—Municipal—					
Trafalgar Twp.	Oct.	A. E. Ames & Co.	5½%	19-ins.	$19,099	102.25	5.22
		—Provincial—					
Drummond Twp.	Nov.	Locally	5%	20-ins.	54,900	100	5%
Elmsley Twp. North	Nov.	Locally	5%	20-ins.	23,629	...	...
Nova Scotia	Oct.	Chase Securities, Blair & Co., E. A. Rollins & Co., Compton & Co., and Shawmut Corp.	4½%	20-yr.	$2,500,000	95.92	...
			Option on additional		3,000,000	.....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Fraser Companies	Oct.	Royal Securities Corp., and Wood, Gundy & Co.	6½%	1942	$2,335,500	100	5.85
Les Institutions Catholiques Romaines de Bienfaisance pour le Diocese de Mayence	Oct.	Bray, Caron & Dubuc, le Corp. des Obligations Municipale, and le Corp. de Prêts	6%	1 to 15-yr. serial (Offered at 1 to 5 yrs. 99.50; Offered at 6 to 10 yrs. 99.00; Offered at 11 to 15 yrs. 98.00)	$300,000	.....	...
Oriental Development Co.	Oct.	National City Co.	5½%	30-yr.	19,900,000	90	6.24
Public Utilities Consolidated Corp.	Oct	W. B. Foshay Co., Minneapolis	...	....	$1,750,000	.....	...

THE FINANCIAL POST

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Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Managing Editor—FLOYD S. CHALMERS

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TORONTO, NOVEMBER 9, 1928

INFLUENCE OF A GOOD WOMAN

WITH the death at eighty of Mrs. Southam, wife of William Southam, Sr., journalist and newspaper publisher, Hamilton, there passed on one of the most remarkable of Canadian women. Her life is evidence of the theory that a man's success and the respect in which he is held are due to a good mother, or a good wife, or a good school, or good inspiration, or a combination of some or all.

A man may be a success but may not be much of a public asset. He may be a menace; unless he has character, conscience and high ideals. Add to these modesty, perhaps an excessive modesty, and we have a character sketch of the whole Southam family, a large family, a most powerful family with their great newspapers stretching across Canada, commanding everywhere respect and confidence, and because of this, wielding great influence for good.

You can pretty well judge the character of a community by studying the history and attitude of its leading newspaper. You can estimate the prosperity of a farming district by the quality and leadership of its agricultural paper. There is no better example of this than Toronto and Hamilton, only forty miles apart. When William Southam arrived in Hamilton over half a century ago with his young bride from London, Ont., and took control of The Spectator, there was little to choose between the two cities.

The fiery, almost fanatical, but sincere Brown dominated Toronto sentiment with the Globe, setting class against class. He was followed by one of his staff, Robertson, with the Telegram—a great journalist, public spirited and at heart a really good man, equally sincere and fanatical, but a man who unfortunately measured society and industry from the attitude of a small shopkeeper on a back street, or a ward foreman.

William Southam in The Spectator always reflected and taught the citizens the gentle attitude of the home, a high regard for fair play and constructive policies. Hamilton became synonymous with the highest in social life, in clean sports and in the character, soundness and prosperity of its merchants and industrialists. Business preferred its cordially sincere atmosphere. Hamilton's greatest industry, steel, is an example of these two attitudes. Hounded out of Toronto by an unfair press, it found a congenial public-spirited municipality inspired by The Spectator leadership. This great Canadian corporation has grown steadily more prosperous and is a great asset to Canada when all our other steel interests, often much better situated, have been in continual difficulties or have gone under.

When Toronto was destroying its electrical companies — because neither these interests nor the city understood what fair play meant, Hamilton and its electric interests were standing by each other loyally.

This is typical of what The Spectator did for Hamilton, what any good newspaper can and should do for its community, class or industry. It is what Mrs. Southam's splendid sons are doing for the communities across Canada which their newspapers serve.

There is no doubt in our mind that back of it all were the inspiration and guidance of that remarkable wife and mother.

DOOMED TO DIE?

THE Maritime Merchant asks seriously if the Canadian sugar refining industry is not doomed to extinction. It points out that Canadian sugar refineries are losing money and have been losing money for five years because of competition from Cuban refined sugar. The Merchant suggests that an import tax on refined sugar sufficient to maintain the Canadian market for Canadian producers would add but 25 cents a head to the sugar bill of the Canadian people.

The Merchant goes on to point out that the preference now granted by Canada to British West India raw sugar producers costs this country 40 cents per head. The West India producers are absorbing about 90 per cent. of the benefit of this preference which means that the country is collecting $3,600,000 less duty than it would collect if it charged the full duty on imported sugar. This figures out at 40 cents per head.

The Merchant suggests that if the country is ready to pay 40 cents per head to buy its raw sugar in British colonies in order that a market for Canadian flour might be maintained in those colonies, then it should not shy at paying 25 cents a head to protect an old established industry from extinction.

The Merchant suggests that if the sugar industry in Canada goes out of business our imports of raw sugar from the British West India will dwindle to nothing and our British West India market for flour will disappear. It asks what has the West, which benefits from the flour export, to say?

CANADA'S EXPORT GAINS

CANADA'S export trade has almost doubled since before the war. The figures seem to show that it has nearly tripled but when allowance is made for the difference in values between 1913 and 1927 it is seen that Canada's export trade between those years gained from $461,000 in 1913 to $876,000,000,000 in 1927, the latter value being adjusted to the 1913 basis. In net gain Canada ranks third among the nations of the world, only the United States and British Malaya showing larger total gains, according to figures compiled by the National Foreign Trade Council across the border. Since the average gain in export trade of the nations of the world has been only 15 per cent. during the same period it will be seen that Canada has forged rapidly ahead and is now relatively a more important exporter than it was before the war.

The world's trade between nations reaches a stupendous total. The exports of 82 nations, doing 95 per cent. of the world's international trade amounted to $32,000,000,000 in 1927 and if the figure is adjusted to the 1913 value of the dollar, to more than $22,600,000,000.

An Armistice day statement by the National Foreign Trade council shows Canada to be second among the nations of the world in export gains since before the war but the actual figures rank Canada only as third. Apparently a typographical error has crept into the compilations but, second or third, Canada ranks high when it is considered that there are no less than 82 nations on the list.

ONLY PARTLY TAXED

MICHAEL FARADAY'S most famous remark was made to a prime minister of Canada. Faraday was demonstrating a little electric generator. "But what use is it?" asked the Canadian statesman.

Faraday replied, "Perhaps some day you can tax it."

Faraday was only half right. Privately-owned power plants in Canada are taxed by the Dominion Government. Publicly-owned plants are not taxed. The consumers of electricity in cities where the plants are privately-owned pay not only their own fair share of maintaining the electric industry's share of Dominion and local government expenditure, but the share of citizens living in cities with publicly owned plants.

Tax exemption of public utilities is a fraud in which one section of the population is mulcted for the benefit of another section.

AMERICAN BRANCH PLANTS

HOW small a part frontiers can play in the activities of neighboring nations is indicated in a list of business concerns in the Dominion of Canada owned by or affiliated with business concerns in the States, prepared by the Chamber of Commerce of the United States.

This first draft, probably incomplete, contains the names of 745 concerns, 700 of which are listed as manufacturers.

Most of these concerns have their Canadian head offices in Ontario and Quebec. There are 564 in the former and 139 in the latter.

By principal cities, the list runs: Toronto, 263; Montreal, 100; Hamilton, 73; Windsor, 31; Walkerville, 23; Niagara Falls, 20; Brantford, 12; and St. Catharines, 11.

Canada has shouldered the mother country out of top place in the list of customers of the United States and stood first, during the first six months of 1928, as a source of American imports. The total business between the two countries was $661,000,000.

TORONTO'S SKELETON

TORONTO is waking up to the fact that there are a lot of skeletons in her police closet. And the worst one is the Police Benefit Fund. It is exactly twelve years since Thomas Bradshaw, then city treasurer, made his report on the insolvency of this municipal society, and at that time there was a deficit of $651,000 which has been steadily growing ever since.

At the present moment the matter is very much in the municipal spotlight, because Superintendent of Insurance R. Leighton Foster, of Ontario, has drawn to the attention of the municipal authorities the fact that the deficit has grown to something over $2,500,000, and that this society is now the only one in Ontario to remain in an insolvent condition.

The reason for this is evidently the action of the older and more responsible officials of the Toronto police department who have deliberately and consistently blocked attempts to improve the condition of the fund. For twelve years these older officials must have known that the society was getting more and more insolvent, and that the high scales of benefits payable, were being made possible only by robbing the contributions of the younger men of the force.

Originally all fraternal societies had their birth as assessment, post-mortem associations which levied a certain assessment on their membership whenever a member died. About eight years ago, however, legislation was passed by both Dominion and provincial governments, giving those fraternals which had dealings with the general public, four years in which to clean house and place themselves on a solvent basis. This was accomplished very successfully, and by 1925 the fraternal house was well in order.

There still remained in Ontario some eight or nine municipal benefit funds operated more or less privately among groups of municipal employees such as the Toronto police. The stand was taken, that as these were not really under the jurisdiction of the provincial insurance department, so legislation was passed providing that the Ontario superintendent of insurance should analyze their standing and report on their solvency. This was done in 1925, and at the present time the Toronto Police Benefit Fund alone in the province has neglected the warning made not only at that time but repeatedly during the past twelve years.

There is no excuse for allowing this society to continue its insolvent way any farther. If the police officials still refuse to apply the cure they know only too well is needed, it remains for the city fathers themselves to force the police department to observe the simple actuarial principles without which no such fund should be operated.

BUT WHO KNOWS?

THE Evening Telegram, Toronto, states that the people of Toronto are much better off in their water supply than Montreal. It quotes figures which show that for one typical small house the Montreal household must pay a water bill of $28.80 while in Toronto the bill would be $11.39. The comparison by the Telegram proves the point made in these columns about a month ago when it was charged that there is complete chaos in waterworks accounting in Canada.

The Montrealer is not paying $28.80 for his water. He does not know what he is paying. Water rates in Montreal are not based upon the cost of service but upon the rental value of the property served. In other words, the water rates are partially a tax and partially a charge for service and what the proportion is between the two charges in any particular waterbill is of something that no one can determine. The system of charging a realty tax and disguising as a water bill is indefensible. We have always suspected that the fact that about 90 per cent. of the people in Montreal are renters has something to do with it. The tenant pays for the water; if he paid only a moderate and proper water bill and the balance of the charge were put where it should be, in the tax rate, the landlord would have to pay it. Of course, in the ultimate analysis, the charge would be passed on to the tenant but somehow the landlord feels he is putting something over. Most of them are probably quite unenthusiastic regarding the possibility of change.

In Toronto, water works accounting methods are not very satisfactory, although the city does not go so far as Montreal. The total revenue from water supply will be $3,660,000 this year of which $992,000 is charged to the fire department. The surplus to the city from the year's operation will be around half a million dollars after all charges. Even Toronto, then, is charging in its rate for a public utility service, a sum that should be in the tax rate. There would be just as much justification in charging an excess rate for electric light and power and to add an over-charge to street car fares—these utilities also being under the city,—as there is for collecting general revenue through a water service charge.

Accounting chaos it is not confined to water works, among public utilities. There are few cities in Canada that have adopted modern cost accounting systems for their utilities. As a result, almost anything can be proven regarding their results by a person out to make a case for his particular theory or prejudice. Public utilities should be charged for every service to them by any other department of the civic service and they should pay taxes; on the other hand, they should receive credit for every service they perform for another civic department. When this is done, the people know what any particular utility service costs them; at present they do not, except in a few isolated cases, particularly in some western cities.

AVIATION ADVANCE

THE pioneer flights of Alcock and Brown and of the crew of the NC-4 across the Atlantic did much to stir interest in commercial aviation. When Lindbergh followed them in a much more spectacular manner he did a great thing for aviation because his solo hop between the great cities of New York and Paris threw the spotlight of front page publicity on the business of aeronautics where previous flights had merely served to stimulate scientific interest. He made long distance flying casual where the others had made it a wonder. All these trans-Atlantic flights were fine things. But they were enough. It may be doubted if any subsequent airplane flights across the Atlantic have done enough good for aviation to offset the harm that has been done by the unsuccessful attempts.

One season's work by the Ontario Forestry patrol; one expedition by the Western Canada's Airways or by the Northern Aerials Mineral Exploration Company; one extensive cruise by the Laurentide Company's Fairchild service does more good for commercial aviation than all the oceanic attempts, successful and unsuccessful, that date from Lindbergh. Aviation needs no stunts now, either to prove its place or to attract favorable public attention. Canada has played small part in front page airplane flying, but has given notable leadership in some phases of the sound business of flying. It is the better way.

POST-scripts

M. J. PATTON, advertising manager of McLeod, Young, Weir & Company, investment bankers, Toronto, now owns a five dollar gold piece and confesses it is the first he has ever seen.

Mr. Patton went to Philadelphia for the direct mail advertising convention and won the five dollar gold piece in a lucky number dance.

THE Canadian Pacific Railway has always been noted for its ability to create local atmosphere in and around its famous hostelries. Nor has it overlooked possibilities in connection with the New Royal York Hotel at Toronto. The Queen City is generally known as "Toronto the Good" and with that in mind, the Canadian Pacific has arranged to equip the Royal York Hotel with one of the largest and finest instrumental organs ever built. When travellers walk out of the Union Station on a Sunday morning and view the cold and unsympathetic appearance of Fleet Street, they will be considerably bucked to hear the inspiring strains of the Royal York Calliope.

PORTABLE fire escapes were evidently in vogue a hundred years ago, according to a clipping culled by Val Fisher of the Canadian Business Research Bureau from the London "Observer" of Oct. 5, 1828. The excerpt records the formation of a Society For the Prevention of the Loss of Life by Fire in the following manner:

Fire Escape Society.—A meeting was held at 18, Aldermanbury, on Thursday, for the purpose of forming a Society for the Prevention of the Loss of Life by Fire. Mr. John Hudson, being called to the chair, stated to the meeting the means at present contemplated for attaining the end proposed, which was to divide the Metropolis into districts of a square mile, in each of which a proper apparatus for assisting persons to escape from houses on fire should be kept, and persons properly trained should be constantly in attendance. A committee was formed and £50 subscribed, and it was stated that the Lord Mayor would be requested to preside at the next meeting.

HARRY C. ASHDOWN, president of The J. H. Ashdown Hardware Co., Ltd., of Winnipeg, Man., was introduced at one of the sessions of the 34th annual convention of the National Hardware Association of the United States in Atlantic City, as the head of one of the two largest wholesale hardware firms in Canada.

In commenting on matters of interest to the members, Mr. Ashdown stated: "Some years ago, before the war, we used to buy about 60 per cent. of our requirements from United States manufacturers, but to-day our purchases from United States firms amount to only about 15 per cent. of our total. I am stating this fact merely to indicate the great extent to which Canada is becoming industrialized. This condition is caused by the rapid development of Canadian manufacturing and the increased ability of Canadian firms to supply us with our needs."

In the Mail

Workmen's Compensation

Editor, The Financial Post:

There appeared in the October 26th issue of The Financial Post, an editorial on the Quebec Workmen's Compensation Act, wherein you advocate the placing of the insurance part of it, with a liability or insurance company, rather than that of having a state fund.

In your protest against the government state fund, would it not have been fair on your part to have quoted the rates as charged to construction building employers, by the United States liability companies, and so let the Quebec employers judge for themselves, as to which would be the cheapest and best plan. Or by your having knowledge as to the cost by this outside system, found it better policy to keep those extreme rates under cover during this discussion.

It is enough to say that in some states, for the carrying of the same amount of compensation, as we have in Ontario, that the rates so charged are double the amount.

Workmen's compensation acts are founded more from a humane standpoint, than that of commercialism. To meet the expenses of carrying out that system, the rates must be moderate, to allow all employers, either large or small, to be able to take up that protection which to-day can be had in a far easier manner than years ago. Many employers of that time carried no liability insurance whatever, simply because it was a great expense. Accidents occurred and claims for injuries had to be met. It was then found that many employers, in fear of this kind of trouble, had safeguarded themselves, financially, by placing their estate in their wife's name, which often meant no recompense could be secured for the injured workman, where the employer was covered by liability insurance, there was also a hard fight, and the litigation, when ended, showed a final settlement as much for the lawyer and doctor, as it did for the workman who had stood the pain, from the injuries so afflicted.

I hold no brief for the working man, but simply state my belief that a Workmen's Compensation Act, carried out on the basis of the Ontario Act, has proven of efficient service both for the worker and his employer.

Toronto, Ont. —FRED MARKHAM.
November 1, 1928.

Establish Tractor Agency

Representatives of the California Caterpillar Tractor Company, San Leandro, and Peoria, Ill., and the Holt Combine Company, Stockton, California, negotiated with Moose Jaw city officials recently in regards to a location in Western Canada of a distributing point. No decision was reached as yet regarding the city that the firms would locate in.

"Stop Me If You've Heard This One"

Traveler—Why do you allow that waiter to remain constantly so close to that young married couple? It evidently annoys them.

Restaurateur—Oh, because they keep ordering things, so as to get him out of hearing.

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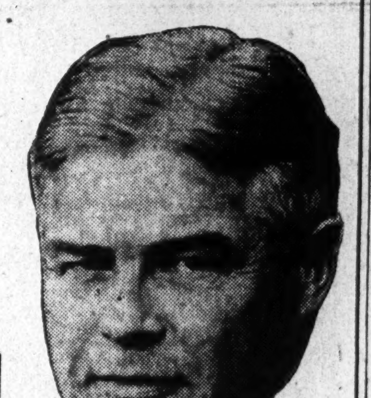
Meeting Mr. Beatty



By GARY MOORE

For several weeks I had lived in close contact with the vast transportation enterprise which is Canadian Pacific Railway, analyzing its investment status for the Canadian investor, attempting to paint an adequate word picture for the readers of The Financial Post, checking and re-checking tables of statistics. Everywhere, from all angles of this extensive company, I meet with evidence of a forceful personality, the drive wheel of the machine, the man at the helm—Edward W. Beatty, chairman of the board and president of C. P. R.

When at the conclusions of my labors the editor of The Financial Post told me, "It is time now for you to go and see Beatty; he alone is in a position to give you the future aspect of C. P. R."—It was with pleasurable expectancy I set out upon this mission. Behind the vast enterprise which is Canadian Pacific had moved this driving force of personal energy, evidence of a master hand, but nothing of the man himself except the superlatives echoed by his junior executives. And now I was to meet the man himself and my imagination was centred upon this single thought, "What would Beatty be like? How would he compare with the other executives I had been privileged to interview here and in the United States? What new line of thought would he give me on the man of success? What would Beatty be like?"

Something of a man's occupation, when he labors at it long and with devotion, is certain to be transmitted to his countenance and character. It was so with Beatty. The finely controlled power of a locomotive was in the C.P.R. chieftain.

Personality in a Phrase

"That polished pony engine of an executive!" This phrase struck my eye and mind from the printed page of an article some one once wrote on Beatty. A musty old volume, scarcely leafed, in that quaint Montreal library which stands a stone's throw from the splendid façade of St. James Cathedral, contained this gem. It was a clue to the personality of this man who had granted time apart from multiple duties for a friendly interview.

Ask anyone in Montreal about Beatty. On every hand you receive nothing but superlatives. Beatty is already a legend. That is what one might expect of Van Horne, Mountstephen, Strathcona or Shaughnessy. But Beatty—what right has a man to be a legend at 51?

Making the Contact

Beatty came from behind his desk with that quiet, contained force which is his most notable characteristic, and clasped the hand of myself and my colleague before we moved a pace toward him. Beatty wins men with that approach. You are immediately seated across from him, completely at home and under the dominance of a friendly smile. I do not doubt but that even cranks leave his presence with a smile.

I contrasted Beatty mentally with the executives I had met in the United States. A picture of William C. Durant appeared. There was the same well-knit physique, slightly below average height, the same radiation of boundless energy under complete control. Even a similarity of features.

Conversation revealed separate qualities of mind. Durant had revealed himself as the man of imagination wedded to action, the dreamer who has a vision and bends inexhaustible energies toward its fulfillment.

Beatty was the exponent of fact. It was amazing how the man would seize upon a single fact, elucidate it and picture it with qualities even men of imagination would fail to grasp. One could surmise the extensive legal training behind this fetish for facts. The man, you felt, had lived with them, nursed them, cherished them. They were part and parcel of his character. One felt that in his direction of this great transportation system he surveyed the exact centre of the main line track and hewed to this plumb. This is not to say Beatty has a single track mind in the manner of the late President Wilson. He is capable of changing a viewpoint in a moment, but the change must pivot upon a fact. The play upon the sympathies or emotions which influence so many men has no counterpart here. Beatty's course is directed by the facts at hand.

One feels that this is the pony engine executive's forte in railway direction. It is his forte also in railway finance. But by no straining of the imagination could one cast Beatty in the rôle of financier in the terms of the stock market. He would have no enthusiasm for the direction of a stock market coup, such as Durant exhibits, or such as displayed by Montreal financiers in International Nickel. There is conveyed the feeling that Canadian Pacific is too dear to Beatty's heart to permit it being bandied about upon the exchanges. He would not care to risk the issue of control in the stock market. This is not from any degree of timidity. It springs from whole-hearted love of the C.P.R. One cannot imagine a devoted father placing his child upon the auction block. Next to his contained energy, Beatty's most notable characteristic is his love of Canada and the great transportation system so completely intertwined with its development.

Compensating Imagination

What Beatty may lack in imagination he more than makes up in instantaneous perception. He can grasp the imaginative processes of another's mind before the author need state them. He translates the other's fancy into fact immediately and discards what are airy imaginings.

There is an air of scholarship about Beatty. But one feels that this was obtained only through herculean effort. It was not given to him to lightly acquire knowledge. The mind that was to absorb his adequate legal attainments must have seemed even clumsy in its early efforts. Perhaps this was even interpreted by his associates in schooling to a dullness of mind. Perhaps it was a thirst for fact that could not dismiss a subject until it had been exhausted in every phase. Most scholars are content to take their knowledge as it is given them and let it go at that. One discerns that the young Beatty was eternally seeking the why and wherefore. He probably rushed upon, seized and retained each separate fact as he did the tackling of an opponent upon the rugby field. Beatty, I have read, was apt at this sport and one assumes that he always tackled with a tenacious hold.

President at 41

Perhaps the most interesting thought about Beatty which developed while we discussed Canadian Pacific was why he had been called so young to the helm of this great company. Why this young lawyer with no previous experience as an executive and not some other man, preferably an experienced railroader?

What could have been the paramount desire of Lord Shaughnessy and his associates as they cast around for a man to assume the presidency? The desire to have their magnificent enterprise conserved and perpetuated. Beatty was only 41 years old at that time. But he was a capable young lawyer so grounded in the habits of thought of his profession that it was unlikely that he could ever discard his legal perspective. And what is the duty of a lawyer? To act as a steward, to assume a trust and keep this stewardship in mind throughout the years.

Beatty has become an able executive. He assumed his presidency at a time when the financial outlook of Canadian Pacific was as dark as it has ever been in recent years. He directed the road with fine foresight and discretion through the post-war depression. But always his attitude has been that Canadian Pacific was a trust that has been given to him for the development of the Dominion of Canada. The road is a monument to the men who labored before him. He has dedicated himself to the proposition that it shall remain this living monument of transportation.

There was once a story floating upon the winds that Beatty was called upon by some of the leading shareholders to show increased earnings at all costs. There is no disputing Beatty's answer to such a proposition. His attitude is to conserve and to further build Canadian Pacific with such a degree of permanency that its position as the world's premier transportation enterprise can never be endangered. How directly he has hewed to this centre of the main track progr[illegible] and how well he has succeeded [illegible] revealed in the splendid physical [illegible] financial position of the road. [illegible] would argue: "If I maintain [illegible] road at the highest degree of [illegible] vice possible to this Dominion [illegible] earnings will take care of [illegible] selves." Has this attitude prov[illegible] the benefit of the country and [illegible] holders alike? With the facts [illegible] hand (facts again as always) [illegible] ing that Canadian Pacific will [illegible] year of 1928 return the best [illegible] cial report in its history the [illegible] must be in the affirmative.

Builder of Permanent Val[illegible]

The lawyer of 41 was called to [illegible] direction of the world's [illegible] transportation enterprise to do a [illegible] of stewardship. And there can [illegible] question of the success of his [illegible] ardship.

What a job one assumes whe[illegible] attempts to follow Van H[illegible] Mountstephen, Strathcona [illegible] Shaughnessy! Will Beatty be [illegible] by Canada's future historians [illegible] side these giants of the past? [illegible] ready he is a legend among [illegible] young men of Canada. His plac[illegible] history is being won by his [illegible] to build permanent values.

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Background of Business

Weekly Review of Canadian Conditions

CONDUCTED BY JOHN E. LANGDON

Improved Buying Power Looked for in Next Twelve Months
Major Recession in Business Not Expected at Present
Physical Volume of Manufactures Well Above Average
Construction Industry Likely to Set New High Value Mark
Over 3,000,000 Cars of Freight Loaded January-October

A MAINTENANCE of buying power among Canadians until well on into the summer months of 1929 appears assured from a survey of present conditions. While a relapse is possible, especially in the stock markets, revenue producing industries have gone ahead this year and, in some instances, have already exceeded the mark set up for the whole of 1927.

Last year, it will be remembered, was satisfactory from the standpoint of business. While the closing months of the year did not show as much activity as prevailed during the spring and summer months, the season as a whole compared favorably with 1926. One or two industries did not do as well as was to be expected, but the aggregate figure of revenue from all sources, was better than that registered in any previous year since 1920.

Increase of 10 Per Cent.

Although it is too early to make an accurate estimate of what revenue is likely to be for 1928, an examination of basic factors—covering the first ten months' period—indicate an average all-round increase of better than 10 per cent. As no reaction is anticipated between now and the end of the year, it is anticipated that returns for the full year will not be less than 10 per cent. in excess of those for the past year.

This additional buying power will not make itself felt directly on business, inasmuch as during the past two years Canadians have been and are diverting large sums of money to the stock markets. As long as the upward move of stock values continues, this outlet will attract larger sums, but, on the other hand, it will not have the effect of lowering consumption.

A bad and prolonged break on the stock market would undoubtedly slow up business. Just how far the reaction would extend no one can foretell. There is no likelihood of an immediate break on the stock market, hence the assumption that business will continue active for a period of six months or longer.

Another factor which should be carefully considered, in that it has an important bearing on consumption and industrial production, is the trend of values. Since 1920, when the index of commodity values advanced to a point more than double that prevailing in 1913, there has been a gradual recession to a point where wholesale prices are only about 50 per cent. above those in force before the war.

One outstanding feature of commodity values this year in relation to demand and production, however, has been the relative stability of the general price level. While fluctuations of major importance have taken place in one or two divisions, the index has moved within a narrow range.

Thus, if purchasing power of the Canadian shows an increase of 10 per cent. or better, resulting from productive efforts this year, and values remain constant, it is reasonable to believe that consumption will show a further increase in 1929. This in turn will result in the establishment of a record volume of production.

Industry More Active

So far this year the physical volume of manufactures has been about 75 per cent. above the average for the six year period between 1919 to 1924. This comparison is not altogether favorable, however, as a new set of conditions have developed in the past two or three years. Even a comparison with 1926 or 1927—two of the most active years in the past decade—shows production this year to be on a wider scale.

The high lights of the current business situation centre around reports on construction and expansion of railway traffic. It is generally agreed that the volume of new building undertaken this year has been one of the most potent factors in the general prosperity of the country.

According to returns prepared by MacLean's building reports, there has been undertaken this year to date at least one-fifth more new construction than for the same period of last year. The report further shows that there has been a proportionate increase in all five economic areas. Also it is likely that complete returns for the year will show the value of new building to be as high as in the record years before the war. Total construction for the ten months to the end of October exceeded the total for the entire year 1927.

Railway Profits High

The sharp improvement in railway revenues, will make possible the carrying out of improvements which under conditions of less buoyant revenues might be deferred to some future date. The present earning capacity of the company, says Greenshields Review, holds out promise of a marked revival in the business of car and other railway equipment companies.

As pointed out in this column last week, it is understood that the Canadian Pacific and Canadian National Railways will spend between them approximately $45,000,000 on new equipment in the next twelve months. Some of this work has already been placed, but the major share of the business will be let before the end of the year.

Record Freight Volume

The improvement in railway earnings, of course, is directly attributable to the much larger volume of freight being handled this year. Up to October 27, 3,001,275 cars had been loaded on Canadian lines. This compares with 2,751,449 cars and 2,641,995 cars in the corresponding periods of 1927 and 1926, respectively. This is the largest volume of freight loaded between January-October for any year on record.

While most of the increase in freight loadings this year is credited to grain and grain products, other divisions show substantial gains. Pulpwood, pulp and paper, other forest products, ore, merchandise and miscellaneous freight loadings are all heavier, whereas decreases were registered for live stock, coal, coke and lumber.

There is nothing new to report on the current industrial situation. Some industries are slowing up on account of seasonal slackness, while others are operating on a wider scale due to the same reason. Taken as a whole, the industrial situation is quite satisfactory for this time of the year and is much better than at the same time in 1927.

ELECTRIC STATION OUTPUT ADVANCES FOR PAST MONTH

Aggregate Output Smaller as Operating Days Are Fewer

From Our Own Correspondent

MONTREAL.—Although the aggregate output of central electric stations in Canada showed a slight decline in September, the average daily output is the highest recorded since last March.

According to returns compiled by the Bureau of Statistics, production in September amounted to 1,278,269 thousands of kilowatt hours. This compares with 1,308,019 in the preceding month, but is some 78,200 thousands higher than in the same month last year.

Of the total output in September 1,259,519 was generated by water and 18,750 by fuel, the former showing a decrease and the latter an increase as compared with August, 1928. Both items are higher than in September last year.

The largest proportionate decrease in ouptut generated by water power during September took place in the Maritimes, where production totalled 6,455, the lowest in the past twelve months. Quebec's output totalled 606,830, Ontario 471,576, Prairie Provinces 90,594 and British Columbia 84,064.

Production Maintained

Production since the beginning of the year with corresponding figures for 1927, are shown herewith month by month:

(Thousands of Kilowatt Hours)

	1927	1928
January	1,131,212	1,324,066
February	1,065,850	1,280,093
March	1,150,008	1,340,729
April	1,109,721	1,268,953
May	1,115,602	1,278,209
June	1,109,481	1,240,547
July	1,106,871	1,246,102
August	1,232,123	1,308,019
September	1,200,133	1,278,269

Above Last Year

It should be noted that while the Prairie Provinces was the only area to show an increase in output during September as compared with August, all five areas established a larger production than in the same month last year.

In the case of power generated by fuel both sections—Prairie Provinces and "other" provinces—show an increase. The Prairies accounted for 12,752 of the total during September and an increase over August, 1928, and September, 1927. Similar results were obtained in the other provinces, where output totalled 5,998.

The average daily output in September was 42,609 thousands of kilowatt hours, as compared with 42,194 in the preceding month and with 40,004 in the more significant comparison with the same month last year. By areas the average daily output of hydro power in September was as follows: Maritimes, 215; Quebec, 20,228; Ontario, 15,719; Prairies. 3.020; and British Columbia, 2,802.

There was a sharp drop in the volume of exports during September. the total being only 129,505, as compared with 145,687 in August. August was an unusually active month for exports, but comparison with September, 1927, also shows that exports this year are on a smaller scale. On the more equitable basis of average daily exports, the figures for September last was 4,317, as compared with 4,699 in August. 1928, and 5,131 in September, 1927.

Detroit-Canada Vehicular Tunnel

First section of the steel tubing to be built for the Detroit-Canada vehicular tunnel has been put together on the launching ways of Canadian Steel Corp. at Ojibway. The land section of the launching ways was completed some time ago. Each tube will be 31 feet in diameter and average a city block in length. Ten tubes will be needed for the actual under-river part of the 5,100-foot tunnel.

Takes Over Royal Financial Office

Arnold Bedson and Company have taken over the Winnipeg office of Royal Financial Corporation. Partners are C. L. Arnold, Co. K. C. Bodson and H. G. Nares.

DOMESTIC SUGAR OUTPUT LOWER UP TO SEPTEMBER

First Nine Months Figures Over 71,000,000 Lbs. Below 1927

From Our Own Correspondent

MONTREAL.—No better evidence of the struggles that the Canadian sugar refineries are having, is to be had than in production figures for the first nine months of this year.

In that period Canadian refineries manufactured 607,600,000 pounds of sugar. This compares with 679,203,000 pounds in the corresponding period of 1927, a decrease of over 71,000,000 pounds.

It cannot be said that this decrease is wholly accountable by a falling off in domestic consumption. It is doubtful if this is the case; rather has there been an increase in view of the greater prosperity prevailing throughout the country.

Imports Affect Trade

The sugar refiners claim that the present unsettled conditions in the industry, are due to the importations of refined sugar from Cuba. Examination of the import figures show that importations have not been particularly heavy, but, on the other hand, they have been steady.

It will be recalled that last year Cuba garnered a very large crop of sugar cane. The same applied to the other sugar producing sections in the West Indies, while the sugar beet countries in Europe also had an excellent crop. With this large apparent over-production, a commission was set up by the Cuban Government to survey the situation and, if possible, establish a fixed price for sugar.

The commission made its survey and established a price. But buyers became scarce and it was necessary to throw open the market. Cuban refiners then entered markets in which hitherto they had not been represented, and started underselling domestic producers.

Under ordinary circumstances, this lowering of prices would stimulate consumption, but apparently such has not been the case in Canada. Even when adding imports to domestic production, the total is still much less than in the past two or three years.

Sometime this month the application of the sugar refineries will come up before the tariff board, in which they ask for a limited amount of protection against the alleged dumping of Cuban refined sugar on the Canadian market.

If the board sees eye to eye with the sugar refineries and recommends added protection, the position of the refineries should be considerably strengthened. If it does not look with favor upon the application, then it will be a case of meeting the price of the Cuban product, until such time as the competition is withdrawn.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly: Latest This Year	Latest Last Year	Cumulative for Year This Year	Cumulative for Year Last Year
Car Loadings (Oct. 27)	97,093	90,656	3,001,275	2,751,449
Stock Index (Nov. 1)	616.8	251.7	......	......
C.P.R. Gross Earnings (Oct. 31)	$ 8,864,000	$ 7,192,000	$ 174,980,000	$ 152,281,000
C.N.R. Gross Earnings (Oct. 31)	$ 9,989,365	$ 8,509,087	$ 226,472,667	$ 202,997,914
Production—	**Monthly**			
Pig iron, tons (Sept.)	90,516	52,470	745,473	570,414
Steel, tons (Sept.)	99,888	54,250	919,710	674,289
Newsprint. cwt. (Sept.)	185,059	178,815	1,731,226	1,519,049
Automobiles (Sept.)	21,193	11,262	202,652	161,583
Boots and Shoes, pr. (Aug.)	1,601,579	1,675,598	12,254,514	11,867,591
Flour, bbls. (Sept.)	1,891,863	1,527,517	13,814,632	11,810,319
Construction—				
Building Permits (Sept.)	$ 21,302,746	$ 14,462,243	$ 166,290,804	$ 141,152,000
Contracts, (Sept.)	45,438,000	32,787,700	379,503,400	305,773,700
Labor—				
Employment Index (October)	118.9	109.0	......	......
Trade—				
Imports (Sept.)	$ 106,066,189	$ 91,802,777	$ 912,389,664	$ 815,617,480
Exports (Sept.)	$ 109,828,366	$ 97,412,316	$ 910,074,152	$ 831,055,968
Imports of Key Products—				
Rubber, lbs., (Sept.)	6,294,687	4,183,302	48,808,849	46,386,944
Cotton, lbs. (Sept.)	4,970,969	4,814,195	85,905,110	98,361,852
Sugar, cwt., (Sept.)	736,343	769,362	6,926,171	......
Petroleum, gal., (Sept.)	14,286,084	13,141,770	296,928,899	......
Coal, tons, (Sept.)	1.422,739	......	10,066,379	......
Exports of Key Products—				
Newsprint, cwt., (Sept.)	3,416,805	3,377,105	......	......
Automobiles, No. (Sept.)	6,279	2,856	52,135	47,053
Wheat, bush., (Sept.)	26,922,776	14,070,866	197,235,782	138,018,534
Wheat flour, bbls. (Sept.)	[illegible]89,775	677,330	7,484,109	6,257,902
Electric Power—Output—				
M. Kilowatt hours (Aug.)	1,289,359	1,216,565	10,150,659	9,889,365
Population—				
Emigration (Aug.)	12,782	18,703	......	......
Immigration (June)	20,303	18,052	93,596	7,457
Finance—				
Failures, No. (Sept.)	164	125	1,404	1,280
Failures, Liabilities (Sept.)	$ 2,070,279	$ 2,845,749	$ 20,464,378	$ 21,632,043
Bank Debits (Sept.)	$3,050,950,943	$2,843,933,991	$30,901,642,725	$24,156,870,155
Bond Sales (Sept.)	$ 21,317,833	$ 85,685,491	$ 345,742,643	$ 387,393,642
Insurance Sales, (Sept.)	$ 38,872,000	$ 35,000,000	$ 413,419,000	$ 360,198,000
Wholesale Prices (1913-100)—				
General Index (Sept.)	149.7	151.3	......	......
Iron	138.7	142.6	......	......
Cottons, raw	138.4	174.8	......	......
Grains	135.6	164.7	......	......
Cattle	160.1	115.1	......	......
Rubber	36.3	56.0	......	......

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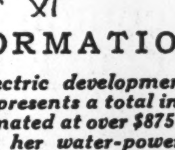
INFORMATION
Hydro-Electric development in Canada represents a total investment estimated at over $875,000,000, while her water-power development approximates 5,000,000 h.p., which represents only 11% of the total hydro-electric resources of Canada.

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Pulp & Paper

Price Bros. to Build Large Head Office

From Our Own Correspondent

MONTREAL.—Price Brothers and Company is to erect a $600,000, 15 story building in Quebec to house all its employees in that city. Tentative plans have already been drawn up for the building, which will face the City Hall. It is expected to be ready for occupancy in 1930. Ross and Macdonald are the architects. The new building will house the head office staff of Price Brothers and Company, and the Donnacona Paper Company, now a subsidiary of Price Brothers.

INTERNATIONAL'S SHARES RECEIVE MARKET CRACK

Now Sells in Line with Other Stocks — Will Not Sell Higher

HAS SHORT INTEREST

After March Next Profits to Increase — No Longer Looks Like Good Short Sale

From Our Own Correspondent

MONTREAL. — Like the other newsprint securities, International Paper shares now appear to have had their market bump. While the newsprint industry is in the doldrums and likely to remain so for perhaps two or three years, and while International Paper shares will probably not appreciate for some months, yet short selling in the stock now appears to be dangerous, one of the reasons being that there is already a large short interest which will have to cover eventually. Again, The Financial Post understands that the management is not favorable toward cutting dividends on the common stock and that all factors indicate that the next common dividend payment will be met. Of course, there undoubtedly exists a real possibility of a lowered dividend. Then again, the company is now more interested in the power business than in the paper business and 55 per cent. of its earnings come from power sales.

Sold in Part to Mills

True, a not insubstantial proportion of the total power revenue comes from sales of power to International's own mills and to other mills in the industry. Nevertheless, as the pulp and paper mills must buy power en bloc from International's power subsidiaries, the revenue from these sources will not decline and in addition, revenues from power sold to other consumers will tend to increase steadily—provided the experience of other power producers applies to International Paper's power subsidiaries—and there is no reason why it should not.

Of International Paper's total net profits after depreciation, available for fixed charges and dividends, 25 per cent. come from newsprint operations, 55 per cent. from power production, and the remaining 20 per cent. from miscellaneous sources such as its production of sulphite pulp, kraft paper, specialty papers and even from a coal mine in New Brunswick.

Other Grades Strong

The drop in prices in newsprint will undoubtedly have some sympathetic effect on some other grades of paper, but this will be chiefly confined to low grade papers made from groundwood. The price which the company receives for its kraft and for its bleached sulphite pulp will hardly be affected.

Moreover, most of International's sulphite pulp output is confined to the higher grades of bleached pulp. The markets for these grades are strengthening. The market for the output of the Hawkesbury and Kipawa sulphite plants will not be affected adversely. Satisfactory results are being obtained and likely to be obtained in the future from the operation of these plants. The Kipawa plant supplies a large proportion of the raw material requirements of the U.S. manufacturers of rayon.

Continental Does Well

Another satisfactory feature in the company's operations is the results being obtained by the Continental Paper and Bag Mills Corporation. This company, formerly controlled by International Paper, is now completely owned by the parent company. For the first time in years it is showing profits after all charges. Then, again, while newsprint prices are lower, the Hearst contract will allow the company to maintain a larger scale of operations in its newsprint plants. Real earnings also from the investment in some of its power plants are just beginning to flow in. For instance, just a month ago the Fraser Companies began taking its block of power from the Saint John River Power Company.

Has Changed Output

International has quietly and steadily been switching over the newsprint production from some of its higher cost mills in the States to other grades of paper. The company's total newsprint output now is only about 4 or 5 per cent. greater than a year ago.

While the foregoing factors are the favorable points surrounding the company, it cannot be said that they are bullish factors. Obviously, they are, though, factors which indicate that shorts in the stock might perhaps be advised to cover fairly soon.

True, two weeks ago The Financial Post intimated that International Paper shares were selling out of line with the other newsprint producers and that a short sale would be a good speculation. But since then the stock has declined by over 25 per cent. of its market value two weeks ago.

Lower Next Quarter

The obvious unfavorable feature of the company's operations is that during the first quarter of 1929, net earnings cannot fail but to show a very material decrease, with the tremendous cut in the price of newsprint paper. After the end of next March, though, from its other assets, it seems altogether likely that there will be a steady growth in net earnings. The company is in a strong liquid position and is in a better position than the companies which manufacture newsprint only, to stand the racket of low prices whilst earnings from the remaining 75 per cent. of its holdings tend to increase.

Canadian Pacific Railway Company

Ask the Canadian Pacific about Canada — CANADIAN PACIFIC

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The Canadian Pacific Railway, through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library, maintained at Montreal, are complete data on Natural Resources, Climate, Labor, Transportation, Business Openings, etc. Additional data are constantly being added.

J. S. DENNIS, Chief Commissioner, Montreal, Que.

Canadian National Railways

DEPARTMENT OF NATURAL RESOURCES

THOUGH perhaps not generally realized, mining in Canada stands second only to agriculture. Everywhere in the Dominion, from the Atlantic to the Pacific, new fields are being opened up by the itinerant prospector.

Nova Scotia's gold mining industry is in process of resuscitation; in New Brunswick a mining industry is being built up where formerly none existed. Quebec, Ontario, British Columbia and now Manitoba have an assured place in the mining firmament.

The tremendous importance of this growing nation-wide mining industry is recognized by the Canadian National Railways, who maintain a Department of Natural Resources for the purpose of assisting, as far as consistent, in mineral and other developments along its lines.

We invite your enquiries

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Bathurst is to Erect Large New Storage Dam

From Our Own Correspondent

MONTREAL.—The Bathurst Power and Paper Company is applying to the government of New Brunswick to construct a storage dam on the Nepisiguit river, to be used for log driving purposes. The proposed dam is to be constructed near the foot of the Nepisiguit lakes; the dam is to be about 900 feet in length across the river and will create a head of water about six feet wide.

Work Begins on New Mill in New Brunswick

From Our Own Correspondent

MONTREAL.—The International Paper Mill has commenced operations on its new newsprint mill at Dalhousie, N. B. Power will be supplied to the new plant by 125 mile transmission line from the Saint John River Power Company's plant at Grand Falls.

Other New Brunswick pending developments of the company include a new sulphite mill on the Miramichi river and another pulp mill at St. Leonard, which will manufacture pulp which in turn will be pumped across the international boundary to one of International Paper's paper plants on the U. S. side of the border.

Manitoulin Pulp Increase Plant Capacity 25 Per Cent.

From Our Own Correspondent

MONTREAL.—The Manitoulin Pulp Company, of Kagawan, Ontario, has increased the capacity of its plant by 25 per cent. and is now turning out 40,000 lbs. a day of dry pulp. Spruce is used exclusively and a high-grade of groundwood pulp for catalogue paper is produced, which is shipped to the United States during the summer months. During the winter the stock is stored at the plant which is owned and operated by the Little Rapids Pulp Company, Little Rapids, Wisconsin.

P. B. Wilson Elected Pres. of Can. Newsprint Company

From Our Own Correspondent

MONTREAL.—Percy B. Wilson, Montreal, formerly treasurer of the Canadian Newsprint Company, has been elected to the presidency of the company. He replaces Henry A. Wise, of New York, whose resignation was accepted by the board. Mr. Wilson will be remembered as the past president of the Canadian Pulp and Paper Association, past president of the Canadian Forestry Association and ex-vice president of Spanish River Pulp and Paper Mills Limited. He is now a director of the Abitibi Power and Paper Company.

C. W. Lindsay Co. Declares Initial Dividend on Common

From Our Own Correspondent

MONTREAL.—C. W. Lindsay & Company have declared a dividend of 25 cents a share on the common stock, payable December 1 for the quarter ending November 30, 1928.

Declaration of the dividend on the common stock is regarded as an indication of the progress the company has been making since its securities were offered to the public during the early part of the present year. Continuing this steady growth, which had characterized the history of the old company, there has been a steady increase in business in all departments, and earnings for the present year will probably surpass all previous records.

Halifax Fire in Merger

The Halifax Fire Insurance Company of Nova Scotia is involved in the recent merger of the Home Fire Insurance Co., and the National Liberty Insurance Co., both of New York. The Home group will head the new combination which will include a number of insurance companies controlled by the two merging interests. The combined assets of the companies will be in excess of $175,000,000.

The Halifax company is the oldest Canadian fire insurance company having been established in 1809. The company joined the Home group early in the current year.

Folder on Pulp and Paper Companies

R. A. Daly and Co., investment bankers, of Toronto, have just issued their annual statistical survey of the pulp and paper companies operating in Canada for the year ending December 31, 1927. The brochure contains in tabular form information regarding the capitalization, capacity of mills, profits and assets of twelve of the leading Canadian companies as well as a number of tables containing other data of interest.

Windsor Hotel Stock Listed

MONTREAL.—Windsor Hotel Limited 50,000 no par common shares and 22,500 6½ per cent. cumulative redeemable preferred shares, par value $100 each, were listed on the Montreal stock exchange this week.

Westward Ho!

All good Canadians realize that Canada is a country to be proud of, but how many, however, have tried to visualize the remarkable variety and vastness of this far-flung Dominion? It is only through travel that the immensity and outstanding natural beauty of our great heritage is realized. Travelling westward to the Pacific Coast we pass mighty rushing rivers, innumerable lakes and dense lumbering regions, thence across the wide prairies and through the magnificent Rockies, a revelation of peerless scenic grandeur—then Vancouver and Victoria, those gems of the North Pacific, where the warm Pacific winds make year round golf possible.

Travel facilities are of the best. Every day the year round "The Vancouver Express," widely known Canadian Pacific transcontinental train, leaves Toronto at 9.00 p.m., making the through trip to Vancouver in 4 days.

Schedule provides for good connections to all western points and any Canadian Pacific agent will gladly arrange for reservations and tickets on request.

NATIONAL STEEL RECEIVES ORDER FOR $2,000,000

Anticipated Business is Now Being Realized by Company

From Our Own Correspondent

MONTREAL.—Official announcement is made this week that National Steel Car Company has received an order from the Canadian Pacific Railway for 15 passenger car frames and 250 refrigerator cars of the total value of $2,000,000. This follows an order for street cars received last week from the Dominion Power and Transmission Company.

With this additional business already booked and prospects for considerably more before the end of the year, National Steel Car will have sufficient business on its books at the beginning of 1929 to keep its plants operating for the greater part of the year.

At the moment the outlook for National Steel Car, and the other equipment companies as well, is particularly good. For a number of years the companies have had a lean time, as the railways were economising on new equipment.

Need Equipment

The large increase in freight traffic this year and the consequent improvement in earnings, has placed both the Canadian National and Canadian Pacific railways in a better position to replace obsolete equipment and to purchase new rolling stock. While no definite information has been given out at the headquarters of either railway, it is understood that contracts will be placed before the end of the year totalling in value between $35,000,000 and $40,000,000. This represents the largest volume of new buying on the part of the railways for some years and compares with the record year of 1913.

This business will be distributed pro rata among the different equipment companies. National Steel Car will receive its share, as is already evidenced by the placing of the C.P.R. order this week. In some quarters it was expected that the value of this order would be larger, but, as previously mentioned, all the new work has not yet been placed.

Replace With Steel

Further, the railways are being placed in a position where they will have to replace in the near future most of the old wooden freight cars. The American Railway Association has ruled that on and after January 1 next, all cars received by American lines from Canada must be of steel construction.

As there is a very large movement of freight between the two countries, it stands to reason that the Canadian railways will have to supplement their present equipment in order to comply with this regulation and also take care of domestic needs.

Accordingly National Steel Car will benefit from this order, as this company has specialized on the construction of steel cars for many years past. The other equipment companies, notably Canadian Car and Foundry, are also in a position to handle this class of work.

Stock is Active

In the last week, the common stock of National Steel Car has come in for a lot of attention on the Montreal market. At mid-week the stock sold up to 64, a new high. In view of the volume of buying behind the equipment stock companies it is to be expected that stocks in this group will show a further advance.

National Steel Car, with low and non-troublesome funded debt and with no preferred stock ahead of it is approaching the ideal industrial financial structure. The results of the present year will doubtless determine the disposition of the $700,000 funded debt which is all that is left outstanding. Eventually the company will have only one class of security, its no-par-value common, of which there is only 100,000 shares. In a period following the war for two years of which operations were barely ten per cent. of capacity the company has greatly reduced its fixed charges and worked itself into strong financial position. The depreciation reserve is nearly 50 per cent. of the plant value.

Business Conditions in United States

Measured by the value of cheque payments, the volume of business in the United States during the week ended October 27, was somewhat smaller than in the previous week, but showed a substantial gain over the same period a year ago, according to the weekly statement of the Department of Commerce.

Average 1923-25=100

	1928 Oct. 20	1927 Oct. 22
Steel operations	115.8	84.0
Bituminous coal production	111.1	105.5
Lumber production	92.3	105.5
Petroleum production (daily average)	120.2	119.2
Detroit employment	130.8	88.2
Freight car loadings	....	117.7
Bldg. contracts 37 states (daily average)	135.7	152.0
Wheat receipts	286.4	186.5
Cotton receipts	360.4	268.8
Cattle receipts	124.7	138.6
Hog receipts	76.4	65.5
Price No. 2 wheat	76.4	93.0
Price cotton middling	73.9	73.5
Price iron and steel composite	85.9	85.9
Copper, electrolytic, price	110.1	93.5
Fisher's index (1926=100)	98.9	96.5
Debits to individual accounts	137.6	140.1
Bank loans and discounts, total	127.6	120.5
Interest rates, call money	157.6	93.9
Business failures	119.4	100.7
Stock prices	216.7	180.4
Bond prices	107.9	110.2
Interest rates, time money	155.3	100.0
Federal reserve ratio	86.8	96.9

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Plans Laid for Big Pulp Mill on Coast

From Our Own Correspondent

MONTREAL.—Development of a $2,000,000 pulp and paper plant at Port Mellon on Howe Sound, about 20 miles from Vancouver, will be started shortly by the Vancouver Kraft Company, Limited. Preliminary work will start this month.

The Kraft Company, representing the Columbia River Paper Company, Washington, Oregon and California, which recently purchased the old Port Mellon plant, plans to instal a lumber mill with a producing capacity of 200,000 feet a day, and a pulp plant of 200 tons capacity.

The first unit of the pulp plant will have a 100-ton output.

DOM. RUBBER CO. CAPITAL INCREASE TO BE CONSIDERED

Propose Making Common No Par Value and Split Four Ways

From Our Own Correspondent

MONTREAL. — Shareholders of the Dominion Rubber Company will meet November 14 to consider the application for authorization to change the supplementary letters patent relative to changing of the company's capitalization.

The proposed amendment calls for an increase in common stock from the present 30,000 shares par value $100 authorized to 120,000 shares of no par value. At present there are 28,055 shares outstanding. The preferred will remain unchanged.

It is understood that the voting privileges of the preferred shareholders will be increased, as at present the preferred has equal voting rights with the common.

There is no trading in the common shares of Dominion Rubber as 90 per cent. of the stock is closely held by the United States Rubber Company, though both preferred and common are listed on the Montreal Exchange.

In Strong Position

No dividend has been paid on the common since 1914. The company has been in the habit of turning back its earnings each year, and a large surplus has been built up, which was shown as $8,050,363 at December 31, 1927.

Dominion Rubber owns the entire capital stock of eight rubber companies operating in Canada. In addition it owns a controlling interest in the Canadian Consolidated Felt Company, a large interest in the Columbus Rubber Company, of Montreal, and owns the entire stock of eight selling companies incorporated under the laws of each province. The last annual report published in April showed an increase in profits of $401,672 though there was a decrease in sales of $506,293.

Hallet Moves to Toronto

Hallett and Company, investment bankers of Galt, Ontario, have moved their offices to Toronto, and have opened an office in the Lumsden Bldg.

E. J. Hallett, principal in the house, was formerly joint manager of the Halifax office of Royal Securities Corporation and represented that house in Western Ontario before establishing his own business.

Pool Operations Extensive

During the first five-year period the consolidated pool of the three western provinces have marketed approximately 750,000,000 bushels of grain, coarse grains included, with a total turnover in money exceeding $1,100,000,000. During that time the three pools have accumulated through elevator deductions and commercial reserves, which belong to the grower, over $20,000,000.

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Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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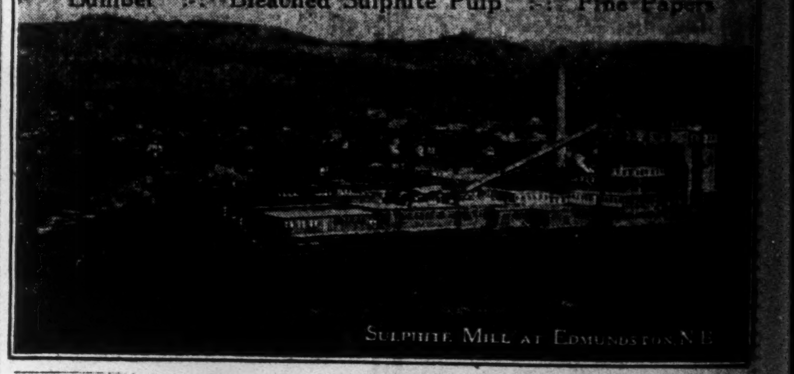

Sulphite Mill at Edmundston N.B.

The Canada Power & Paper Corporation

Total Daily Capacity of Plants: 1250 Tons of Newsprint.

Also producing fine and kraft papers, paperboard, paper boxes, paper bags, paper specialties, and sulphite, kraft and groundwood pulps.

Successor and Operating Company of:
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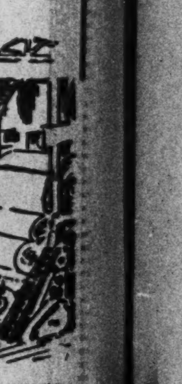

Head Office:
MONTREAL—QUEBEC

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Quebec Power

We would greatly appreciate your opinion as to what Canadian stocks you consider good buys at the present prices. What do you think of Walker's?

Quebec Power, Hayes Wheel, Page-Hersey, Hiram Walker, Canadian Canners and J. S. Mitchell are common stocks which in our opinion should appreciate in value over a term of years because they are stocks of companies which are progressing with the country.

Steel of Canada, International Nickel, Royal Bank and Toronto General Trusts are stocks in the higher price classes, which we think are equally attractive.

Hamilton Leather Goods

Please give me your opinion of Hamilton Leather Goods Co. as an investment.

Preferred stock in the Hamilton Leather Goods Company may be a satisfactory investment for you. The company is a small one operating one store, but it apparently has had a satisfactory career, and current earnings appear to be well in advance of preferred stock dividend requirements.

If you buy this stock, however, you must reconcile yourself to the fact that if you desire to liquidate your holdings at any time you may find difficulty in finding a purchaser. There will not be an active market, in all probability, for stock in such a small company even though, as is intimated, application will be made to list the shares on the Toronto curb market.

Laurel Packing Co.

I would like your opinion as to the value of the 7 per cent. cumulative shares of the Laurel Packing Co. of Winnipeg as an investment, keeping in mind security and the possibility of a resale being made in the near future at a price equal to that at which the stock is now selling.

The prospectus of the Laurel Packing Company, which you enclose in your letter, leaves much to be desired, in our opinion, although it contains more words than most circulars offering stocks. The prospective purchaser is not told what is the capitalization of the company nor how many preferred shares are being sold, and there is no definite statement as to earnings past or present, and the prospectus is notable for the absence of a balance sheet.

We doubt very much if it is a satisfactory investment for you in view of the fact that you must bear in mind the possibility of a re-sale of the stock at some time in the near future. You will observe that the company does not guarantee to find a market for its stock, and that in any event there will be a charge of $2 per share for any service which may be rendered by the company to the shareholders.

Marketability is an important consideration for the investor.

Certainly an investor should not put his money into an enterprise without knowing all the facts. The Laurel Packing Company, in the circulars you have forwarded to us, has omitted a number of essential facts.

There are other investments which will give a yield of 6 per cent. which combine a high degree of safety and a ready market. A Western company, the preferred of which looks to us to be satisfactory, is Great West Saddlery. This stock is listed on the Toronto Stock Exchange and can be traded at any time. The six per cent. preferred of Canadian Western Natural Gas is a sound investment, in our opinion, and you should have no difficulty at any time in selling it. The first preferred stock of Canadian Canners, Ltd., also is readily marketable, gives a yield of better than six per cent., is as safe as most preferred stocks, and we think there will be a gradual appreciation in market value to par or slightly better.

Continental Oil

I would be greatly obliged for your opinion regarding the following stocks: Continental Oil, Beacon Oil.

I wish to know whether you consider these a very good long hold at the present market and also whether there is, in your opinion (I realize the difficulty of what I am asking) a good chance of immediate appreciation in value. The stocks are owned outright and the reason for making the inquiry is that I know nothing about them and it will be necessary to sell some securities within the next six months. There would be no loss at the present market.

Although all the oil stocks have been doing somewhat better recently, Continental Oil seems to be the exception. Canadian holders of the stock have been patient for a long time, but there is evidence that they are gradually getting rid of their holdings in this company.

The situation as regards Beacon Oil is somewhat different. The company appears to have turned the corner and to be making money at last. The stock has ascended in market value recently and from recent earning statements it would appear that the upward move has by no means been completed. Beacon Oil appears to us to be the better of the two.

Twin City Rapid Transit

I am advised to sell Twin City and buy Engineer's Public Service Co. of Boston. I have read your last week's article on Twin City, and also Forbes' Buses vs. Street Cars, in the issue of October 15th, and would be pleased to have your opinion of the above change.

We are compelled to confine our Investment Service to Canadian investments or to foreign investments in which there is a substantial Canadian holding. In the circumstances, therefore, we are not in position to advise you as to the merit of Engineers Public Service Company of Boston.

We are not favorably impressed with the immediate outlook for Twin City Rapid Transit Company, but we would draw your attention to the article on page one of the October 26th issue of The Financial Post which quotes Horace Lowry, president of Twin City. Mr. Lowry is of the opinion that the decline in street car patronage in St. Paul and Minneapolis has gone about as far as it will go, and he expects a trend in the other direction in the near future.

We think that urban transportation companies are not the most promising type of utility investment. We are inclined to favor street railway companies only when they are tied up in one way or another with a power project. There are very wide streets in Minneapolis and St. Paul, and there is no parking problem as yet. The Toronto street railway is paying expenses ostensibly because of the fact that the streets are not so wide and consequently there is both a serious parking problem and a movement of vehicle traffic which probably is not much swifter than the movement of street cars.

City Dairy Common

I would like your advice on the Toronto City Dairy common stock. In view of the strong competition in the dairy business in Toronto, do you think this stock would be good for a hold say of about two years? Is there any possibility of a merger with some other dairies? I have heard rumors that Bordens Milk Co. are trying to acquire City Dairy.

There is strong competition in the dairy business in Toronto, but The Financial Post is of the opinion that the common stock of City Dairy remains an attractive investment for any person who can afford to forego immediate high yield. There has been talk from time to time of negotiations looking to the sale of City Dairy to another company, but we are inclined to the opinion that City Dairy is more likely to buy smaller companies than to be absorbed itself into another company.

City Dairy has been one of the best common stock investments in Canada. It is perhaps improbable that the record of the last ten years will be repeated in the next ten years, but nevertheless we are of the opinion that the company will continue to progress with the city it serves and as its subsidiary milk-products business continues to expand.

Nickel or Bronze

Would you recommend International Nickel or Canadian Bronze as a hold for a few months? I have a small sum available for investment, and am wondering which of these two stocks would give me the most appreciation over a short period.

Both International Nickel and Canadian Bronze common stocks are attractive for a long hold. International Nickel, of course, has much the larger following and the stock is more active on the market. During the past two or three weeks, International Nickel has forged steadily, ahead and is now selling at a new high for all time. There is a great deal of bullish news going the rounds of this company and the talk is that the stock will sell round 200. Of course, we do not intend to substantiate this statement but it gives you an indication of the attractiveness of Nickel as a long hold stock. Canadian Bronze also is doing exceptionally well, earnings increasing and a wider market being created for the stock. There is one point in favor of a switch from International Nickel to Canadian Bronze and that is there is less fluctuation in the price of the latter than in the former. Both are good stocks.

British American Oil

I have just sold B. A. Oil. Would you advise buying again at around 45 or buy some other oil or industrial stock? I have been advised to buy Canada Dredge and Massey-Harris. Your advice through the columns of The Financial Post will be appreciated.

British American Oil is probably as satisfactory at present levels for the long hold as it was at lower prices. We do not know what is going to happen to the market in the immediate future, but it is possible that the stock can be acquired more cheaply a little later.

Our information is that Canadian Dredge & Dock has at least two or three years of prosperity ahead of it, but we would point out to you that a company of this kind runs into periods when business is very slow, although when it is operating there usually are good profits.

Massey-Harris common stock appeals to us as one of the most attractive stocks for the long hold. Over a term of years we believe that that investment in this stock will be highly satisfactory in view of the fact that the company is extremely well managed, has a complete line of agricultural implements to sell, and is represented in every market for these agricultural implements.

Soured on Mines

During the past two years I have been investing solely in the mining market with great regret, and in the future I would like to invest monthly, my income in some type of investment with a view to the future rather than that of an immediate income.

I have been considering various industries such as Montreal Light, Heat and Power, City Dairy, Dominion Bridge, Shawinigan Power, Canadian Canners, and International Nickel. I would appreciate your advice on this subject.

There have been fortunes made in the mining market and there have been many people who have lost money in that market. Our opinion is that the mining market should attract only a moderate proportion of an investor's funds, in view of the greater risk that attaches to mining stocks. In no circumstances, we believe, should an investor place more than 20 per cent. of his funds in mining stocks and then he should select only those companies which have proven ore bodies of substantial size. Other mining commitments are speculation.

We assume that your income from your profession is sufficient to pay your living and other expenses and that you do not require any very great yield from your investments in stocks. In the circumstances we think that your tentative selections of Montreal Light, City Dairy, Dominion Bridge, Shawinigan Power, Canadian Canners and International Nickel are attractive.

Montreal Light and Shawinigan are two of the soundest stocks in the utility field in North America.

City Dairy undoubtedly is the best of the food stocks, and, although it is not reasonable to expect that the records of the last ten years will be repeated in the next ten years, we are of the opinion that the company will continue to progress and that this progress will be reflected in or anticipated by the stock market.

Canadian Canners is a sound company, but the second preferred and common stocks are not as yet in the same class with Montreal Light or City Dairy. This position may be achieved in time. Meanwhile the stock is attractive as a business man's semi-speculative commitment.

International Nickel has had a rapid rise from below one hundred and it is possible that the stock soon or late will enter on a resting period. Yet we are of the opinion that looking ahead five years the stock still is attractive for a business man. All stocks should be bought outright or held on substantial margin—at least fifty per cent.— in order that the holder will not be forced by an adverse market to sell out at the wrong time.

Milton Brick Bonds

Please give me your idea of Milton Brick Co. bonds payable 1940.

About two years ago Milton Brick Company was not particularly prosperous, but we were informed that bond interest was earned and paid. The company since then probably has been doing somewhat better because the price war which prevailed at that time since has been ended, and brick has been commanding a somewhat better price in the Toronto area since.

Earnings of the company for the first period for which a report has been issued, appear to be more than adequate to cover bond interest, and while these bonds cannot be considered first grade, it is possible that they would prove a satisfactory investment for you.

We would not, however, class this bond as a conservative investment. The company is small and in a business which perhaps has been overdeveloped in the last year or two. Moreover, the bond probably will lack marketability—in other words, you might not be able to sell it before it matures if you have to get your money out. We doubt further if the bond would have a very high collateral value as security for a loan at your bank.

Standard Royalties

For some time past there has been a salesman in this locality selling Standard Royalties Ltd., Toronto. He is representing these royalties as an absolutely sound inevstment paying 12 per cent. dividend. Would you consider this a gilt-edged security?

We certainly do not consider stock in Standard Royalties Ltd., a gilt-edged security.

The fact that royalties are sold on a basis of about 12 per cent. yield is evidence that they are not absolutely safe. Gilt edged securities sell on a basis of about five per cent. yield or less. Oil royalties are necessarily speculative. The success of an oil company depends on the luck or judgment of the person buying the royalties. If anything went wrong with this company the shareholders scattered through Canada would have difficulty even in learning what had happened to their investment which is some thousands of miles from the scene of the stock selling.

Oil royalties at the best are investments only for the surplus funds of persons who have substantial backgrounds of much more conservative investments. In our opinion, oil royalties should not be represented as absolutely safe investments.

Hamilton Dairies

I inclose list of stocks which I hold and these are the accumulation of an original small investment. I am borrowing pretty heavily from the bank on these securities and I was wondering whether it would be advisable to sell these stocks and pay off my borrowings or to hold on to them. The principal reason for holding them is because I am afraid that if I pay off the loan and put this money directly into the business, I may not be able to take it out again.

Some of these stocks show a profit on to-day's market and would you advise taking my profit and putting the money into something else, and which stocks would you suggest selling and what would you suggest me buying? The stocks I would like to buy are preferred stocks which carry a bonus of common and then sell the preferred and keep the common.

90 shs. Hamilton Dairies, com.	$ 20.00
10 shs. Massey-Harris, 7% pref.	108.50
10 shs. Can. Cement, 6½% pref.	99.50
50 shs. Canada Gypsum & Alab.	46.25
5 shs. Eclipse Oil, pref. 7% ..	100.00
25 shs. Eclipse, common	13.50
15 shs. Commonwealth Life ..	20.80
20 shs. Hudson Casualty	13.50
5 shs. Tip Top Tailors, pref. 7%	100.00
5 shs. Tip Top Tailors, common	31.00
10 shs. Independence Indem. ..	39.50

We are somewhat doubtful if at this time you would find it profitable to take new issues of preferred stocks with the idea of selling almost immediately and retaining the common stock which normally is given as a bonus with new preferred. There is no certainty as to which of the bonus common stocks are going to advance, although occasionally there is one which makes a somewhat spectacular and rapid upward move. We would be inclined to advise anyone wishing to invest in common stocks to buy stocks of sound established companies and hold them for a year or longer.

The Financial Post frequently discusses stocks which appear attractive for a hold, but we are not in a position to suggest stocks which are likely to rise quickly. Our selections are based on the known position of companies and the industry of which such companies are a part.

If you are borrowing rather heavily from your bank on securities which you hold, you probably would be wise to reduce your commitments and thus reduce your loan, or, in other words, increase the equity in the stock. We observe that you have a very good profit on your holdings of Hamilton Dairies common and that this common represents a rather substantial proportion of the total. Buying on margin is not unsound, but we are of the opinion that in view of the possibility of a drastic reaction in the New York market the margin should be at least equal to fifty per cent.

Crown Cork and Seal

Some time ago I purchased shares of Crown Cork & Seal Co., and since then I have not seen any prices quoted nor have I seen any comments on this stock in your valuable paper.

What is the present quotation and when will the stock be listed?

The common stock of Crown Cork & Seal Company looks like an interesting long hold for a business man. This company practically has a monopoly on this type of business in Canada and has two modernized plants in Montreal and Toronto to serve the trade.

Earnings have been consistently good, and while the stock is not listed on any Canadian exchange there should be a fair demand for it.

Standard Royalties

As a subscriber to the Financial Post for the past ten or twelve years I am submitting my first query to the department of investments.

What about an investment of around one or two thousand dollars in cumulative preferred stock of Standard Royalties, now being offered by Mid-Continent Bond Corp., Toronto? Is this firm reliable and what reputation does it bear? The rewards for the money invested look very large to me but possibly they are all right.

Investment in the stock of an oil royalty company cannot be considered conservative and we disagree with the statement of Mid-Continent Bond Corporation that an investment in Standard Royalties, Limited, will meet the requirements of the most conservative investor "as a safe and dependable security." While the directors of this company are all residents of Toronto and other places in Ontario, the operations of the company are some thousands of miles from the scene of the stock selling, and if anything went wrong it would be expensive, if not impossible, for the shareholder, or even a director, to discover what had happened.

While such an investment, in our opinion, is not conservative, we know of a number of persons of considerable means and perspicacity who have invested in this and similar companies. The 12 per cent. yield is a lure. But we do not believe that these men we mention or any other persons should place in oil royalties more than a very moderate proportion of their total investment funds.

Mid-Continent Bond Corporation is a small institution. Except that it has been exaggerating, in our opinion, the merit of investment in royalty companies, we know of nothing against it.

Orange Crush

I understand Orange Crush (with Honey Dew) are doing a very good business, and I would appreciate your opinion as to which class of their stock would be the better buy for appreciation in value.

I have full particulars as to the conversion of the preferred stocks from an issue of The Financial Post of a few weeks ago.

Orange Crush Ltd., and its subsidiary, Honey Dew Ltd., apparently are making good progress, and this progress should be reflected in the market value of the stocks.

The junior stock of a company in an improving position usually is the stock which appreciates more rapidly. In this instance there should be corresponding increases in the market value of the two classes of preferred stock, which are convertible. Yet, there is usually a spread between the lower-priced and higher-priced issues which makes the lower-priced issue the more attractive from a speculative point of view.

On the other hand, the dividend-paying convertible preferred appeals to some investors because the dividends pay or help to pay the carrying charges on the amount of money invested. Thus, the common stock would appear to be the purchase if you do not mind being out-of-pocket the carrying charges during the time you hold the stock or until the stock gets on a dividend basis.

Hamilton Bridge

Would you advise the purchase of Hamilton Bridge common? I see that there are 80,000 shares of 2nd preferred which seems rather excessive, as no dividend has been declared on them. Do the common shares of Canada D. & D. Company compare favorably with the above shares?

Both Hamilton Bridge and Canadian Dredge and Dock in our opinion, are promising speculations for a business man. It is somewhat difficult to compare the two, but on the whole we are inclined to favor Hamilton Bridge for the reason that activities of the company over a term of years likely will be more stable than that of a company in the dredging and dock-building business. A dredging company operates profitably for intermittent periods, while a company in the structural steel business probably seldom is inoperative entirely, although, of course, the business will fluctuate with the activity in the building trade.

Both companies have the same amount of common stock outstanding—50,000 shares. The preferred of Canadian Dredge is $1,500,000 whereas the first and second preferred of Hamilton Bridge totals $3,050,000. There are 8,000 shares of second preferred on which the dividends are being paid steadily. These second preferred shares of $100 par value are convertible into common on the basis of four common for one preferred.

Canada Biscuit Bonds

I am feeling a little uneasy as to the safety of my investment in 6½ per cent. bonds of the Canada Biscuit Co., of which I hold $1,000 worth purchased two years ago. Is it not a fact that no interest has been paid on the preferred and it is a question whether the interest on the above is being paid at present? Is the original security behind these bonds still there? I presume there is no market for these bonds?

Would you advise me to dispose of my investment now at a loss or hold on for better times, if these are at all likely to mature?

The original security behind the bonds of the Canada Biscuit Co. is still there. We know of no market for the bonds at this time. No interest has been paid on the preferred, and until a few weeks ago it was a question as to whether the company was earning sufficient to pay interest on its bonds.

We think that there is ample security behind the bonds and are informed that some progress has been made toward correcting a number of mistakes which were made in the early stages of the merger. We are of the opinion that even if the bond interest were allowed to lapse, the ultimate outlook for the stockholders is not dark.

As there is no market for these bonds, and as you would have to sell at a loss, if you could find a market, we believe that you would be better advised to hang on in the hope that the changes that we have referred to will bring about a permanent improvement.

For Paid Mail Subscribers

Attention is again directed to the fact that the investment inquiry service is designed to serve only **Paid Mail Subscribers** of The Financial Post.

Name and address of every inquirer is necessary as a guarantee of good faith. Every week a number of enquiries go into the waste basket unanswered because the writer has not identified himself. Identity of the enquirer is never revealed by The Financial Post.

General investments, mining investments and insurance are dealt with by different editors. For this reason, it is imperative that inquiries for these different departments be written on separate sheets of paper. Hereafter, in the event of all three types of investment questions appearing on one sheet, the answer will deal with only one class.

These rules are essential to prompt and complete replies to the questions asked by the growing number of readers using the investment service.

When Women Invest

Some Common Stocks Advised to Offset Decline in Yield from Reinvestment in High-Grade Bonds; A Stock Perhaps Suitable for a Business Woman; Newer Investment Company

A WEEKLY FEATURE

A client of ours, a widow, has $65,500 invested in tax-free Victory bonds and, as she is not particularly interested in the tax-free clause, a broker has suggested that she exchange these bonds now, in order to obtain the premium at which they are selling. Most of the bonds are of the 1933 maturity and, as she would prefer a longer term investment, and at the same time remove any uncertainty as to yield, do you think it would be advisable to make the change?

The following bonds have been offered:

$22,000—C. N. R.	4½	-57
22,000—Alberta	4½	-58
5,000—Gatineau Power ...	5	-56
6,500—Montreal Trams	5	-55
5,000—Massey-Harris	5	-47
5,000—Abitibi Pulp & Paper	5	-53
5,000—United Securities ..	5½	-52

The small difference in annual income for the next eight years would be of little importance and, as the principal would be increased by $5,000, it would appear to be an advantageous exchange. As she also owns other securities, this plan would give her over 50 per cent. invested in government bonds.

Asks for Suggestions

Thanking you in anticipation of your opinion as well as any suggestions you can offer.

The switch from Victory Bonds to the list you submit would be advantageous, in our opinion. The C.N.R. and the Alberta provincial bonds rank in merit only slightly below the Dominion government bonds and the proposed investment in industrial bonds gives a diversification which minimizes the slight risk obtaining in such investments.

We believe that the long term trend in interest rates will be downward, and as various bond issues mature or are redeemed prior to maturity the money will have to be reinvested in new securities which, as a rule, will bring a lower interest return, or in securities which inherently are not so safe as those which your client probably would desire to hold.

Investors in bonds and other securities which cannot be expected to appreciate materially in market value, will be faced with the problem in the next several years of getting a stabilized return on their investments. If the same high grade type of security is desired, all investors must accept the fact that returns will be diminished in some degree owing to the fact that money will command a gradually decreasing rate of interest.

In the circumstances it would seem advisable for persons in the position of your client to invest from five to ten per cent. of the total of his or her funds in the soundest common stocks. Sound common stocks inherently are as safe as many industrial bonds, in our opinion. The immediate yield on these stocks is low, but there will be gradual appreciation in market value and gradual increase in returns by way of dividends. The gradual increase in dividends from investments totalling 10 per cent. of the grand total of an investor's funds would offset to a considerable extent the diminishing returns from bond investments.

Such high grade common stocks would include Bell Telephone Co. of Canada, Consumers' Gas Co. of Toronto, City Dairy of Toronto, Montreal Power and Shawinigan Water and Power.

I am thinking of investing some money this week. I am enclosing a stamped envelope and would appreciate it if you would give me your opinion of Canada Vinegar and Cities Service Oil Co.

We are informed that Canada Vinegars, Ltd., will earn a greater sum this year than was anticipated at the time of the stock issue a few months ago. The stock currently is selling at $30 per share, an appreciation of three and a half points from the issue price. We consider this a very good record in view of the record of new stocks placed on the market in the current year. While the issue could not be recommended as an investment for a woman who is dependent on income from investments for her living, it is perhaps not unsuitable for a business woman, and we believe that there will be some appreciation in market value over a term of years and an eventual satisfactory dividend return.

A United States Investment

Cities Service is really a United States investment, being sponsored by the banking house of Henry L. Doherty & Co. We, unfortunately, are compelled by circumstances to confine our investment service to Canadian stocks. Our impression of Cities Service is not unfavorable, although this opinion is not so authoritative as would be the case with a Canadian stock.

Would you advise me to transfer my bond for $1,500 in the Trust & Guarantee Co., Toronto, to the Federated Bond & Share Co., (Diversified Trust) Toronto, as they give a higher rate of interest. A friend of mine had $500 in the same company.

You have a first grade security in the debentures of the Trust and Guarantee Company, Ltd.

Diversified Investment Trust, being sold by Federal Bond and Share Corporation, is a company which has not been in operation a year as yet. We believe that the preferred stock should be a satisfactory investment, but the company has not been in operation long enough to justify characterization of the stock as a seasoned and conservative investment. With the purchase of preferred stock in this company you also get common stock, which, if the company is well managed, should bring you a profit over a term of years. The company has no bonds.

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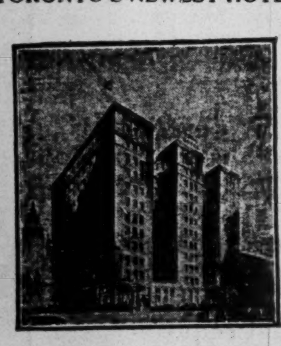

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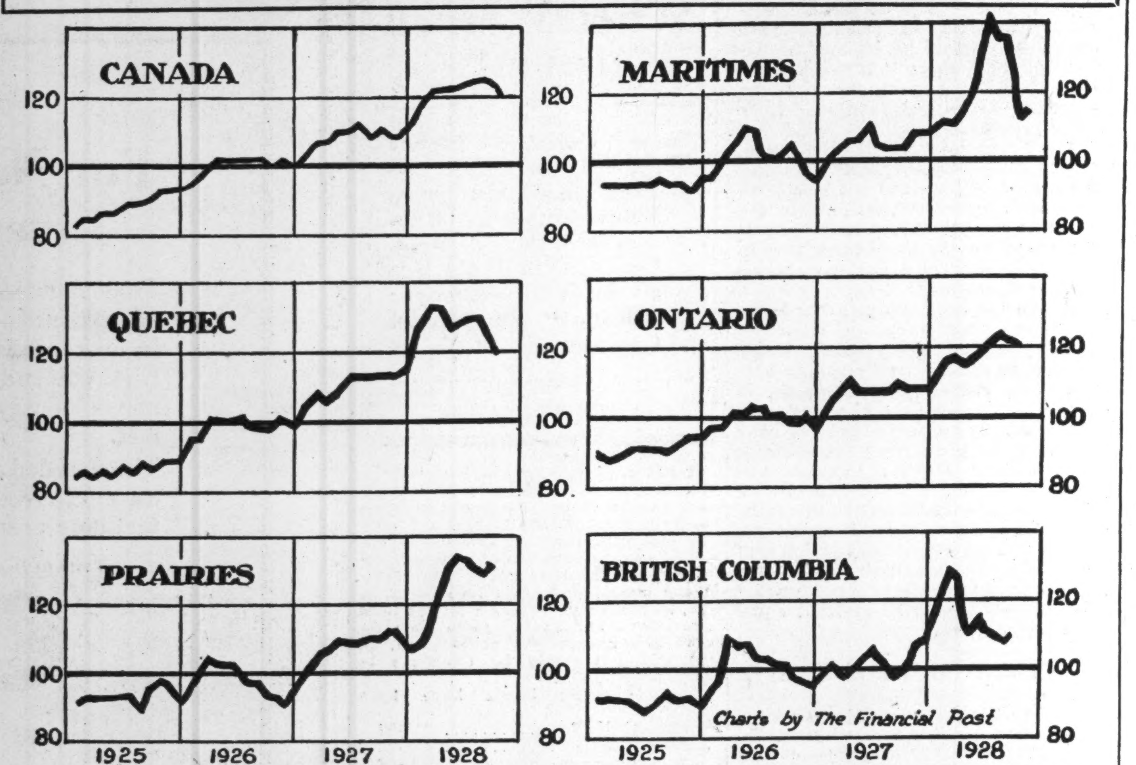
Business Trend is Slightly Downward



The index of business activity by economic areas indicates that in September conditions were more favorable in all areas except Quebec and Ontario, the index showing a moderate recession for the Dominion as a whole.

Quebec and Ontario Business Level Down

But Three Other Economic Areas in Canada All Show Substantial Gains During Month of September

By SYDNEY B. SMITH

The conclusion that the volume of general business in Canada has shown a slight recession in the last two months is confirmed by the index of business activity by economic areas prepared from month to month exclusively for The Financial Post. A further slight decline was shown in September the peak for the present year having been reached in July. The recession in September was mainly confined to the province of Quebec though the trend in Ontario was tilted downward to a moderate extent. The remaining areas showed unmistakable advances. The developments in connection with the marketing of the grain crop had a stimulating effect on the business outlook in the Prairie Provinces. The favorable factors more than counterbalanced the reactionary ones in the Maritime Provinces and in British Columbia.

Activity in Construction

Notwithstanding the comparatively unimportant place allotted to the construction industry in the preparation of the index penalized in this case owing to the normal tendency to wide fluctuations, one of the strongest elements in the economic situation in September was the unexpected activity in this industry. Some contraction had been disclosed in July and August in comparison with May and June even after seasonal adjustment. This was generally explained by credit conditions and the natural discouragement of higher money rates to an industry where capital investment plays such a large part. The marked reduction in new bond issues was taken as a sign of the approaching decline in building operations. Developments in September appeared to upset, at least for the time, the forebodings in regard to the industry arising out of an adverse credit situation. Contracts awarded were in larger amount than during any previous September and a marked increase after seasonal adjustment was shown not only in the Dominion as a whole but also in each of the economic areas except the Prairie provinces. The value of building permits in 63 principal cities also showed a pronounced increase confirming the evidence presented in the record of awarded contracts. The trend was upward in Quebec and Ontario more than offsetting the declines in the remaining areas.

The situation in regard to commercial failures was also much improved in September when after seasonal adjustment the number of assignments showed a considerable reduction. Failures are normally much more frequent in September than in the preceding month as determined by the experience over a term of years. Although the number actually increased in the month under consideration, the normal change between August and September more than accounted for the advance. The seasonal variation in commercial failures is wide, in September for example the number is normally 7 per cent. greater than the monthly average during the year, while in August the number is normally 14 per cent. less than the monthly average. It is practically impossible to make short term comparisons without adjustment for seasonal tendencies. Conclusion drawn from the crude statistics would be quite misleading. After seasonal adjustment based on indices prepared for each economic area, it is apparent that the failures situation was more favorable in the Maritimes, Ontario and the Prairie provinces, while the number of failures increased in the remaining areas.

Employment is Lower

The bright side of the picture has been exhausted by the reference to the building industry and the failures situation as the four remaining factors included in the index showed declines in the aggregate totals for the Dominion. Of the four factors the evidence presented by the index of employment is the most conclusive. The result here was unaffected by the peculiar circumstances in regard to the length of the month. Before and after seasonal adjustment, the index based on reports from employers applying to conditions on October 1st showed a moderate but unmistakable recession not only in the Dominion as a whole, but also of the five economic areas. This significant result contributes to the downward trend of the index under consideration and in addititition is the most definite confirmation which it would be possible to throw upon the screen exhibiting an interpretation of the present business trend.

It is true that bank debits also showed decline in each of the economic areas but here the result was affected by the length of the month, and in any case is greatly influenced by speculative activity. The trend of bank debits presents a composite picture of business and speculation and as the latter fluctuates more widely than general business, the factor should be interpreted with considerable care.

Sell Less Life Insurance

After seasonal adjustment the sales of ordinary life insurance showed an increase in British Columbia but were lower in the remaining areas and in the Dominion aggregate. The production of electrical energy by the central stations showed increases in British Columbia and in the Maritime provinces. Owing to the preponderance of Ontario and Quebec in the generation of electricity, the total for the Dominion as a whole showed a decline.

Standard Securities Plan to Redeem Preferred Soon

From Our Own Correspondent

MONTREAL.—It is understood that it is the intention of the management of First Diversified Standard securities to issue bonds at the first favorable opportunity, to redeem the $1,000,000 presently outstanding in 8 per cent. preferred stock. This preferred is redeemable at 105 per cent. of par value $25. It is said further that holders of this preferred will be given the privilege of converting their stock into shares of the Second Diversified Standard Securities now being offered publicly.

Earnings for the last five quarters are said to have been in excess of dividend requirements, and it is the intention of the company to list the common stock at a future date.

Complete Big Program

The building of more than 330 miles of new branch lines, with 71 new stations and shipping points sums up in brief the construction programme of the Canadian Pacific Railway in Western Canada during the past summer, according to D. C. Coleman, vice-president, western lines. A feature of the branch line construction was found in the rapidity with which setlement followed the laying of the steel. Country elevators to the number of approximately 300 were already built or in the course of construction, while in many cases towns were beginning to spring up around the newly erected station buildings.

FLOUR PRODUCTION SHOWS SHARP GAIN FOR EIGHT MONTHS

Over 1,200,000 Barrels Up on Last Season's Output

From Our Own Correspondent

MONTREAL.—Annual reports of the different milling companies, appearing in the past three or four weeks, revealed a strengthening of position, though not solely on account of manufacturing operations.

Since the beginning of the year however, production of wheat flour has shown a substantial increase over the corresponding months of 1927. Between the beginning of January and the end of September this year, Canadian millers turned out 11,480,000 barrels of flour. This compares with 10,281,000 barrels in the same period of 1927, an increase of $1,201,000 barrels.

Better Domestic Demand

This improvement in production, while due in part to a better domestic demand, is also indicative of an increase in foreign buying. The situation in the export markets is still not of the best, though still better than they were at this time last year.

Milling of Canadian wheat in bond, by American millers at Buffalo and other points across the line, still constitutes the thorn in the side of the Canadian millers. At periodic intervals, the Canadian industry has asked the government to take action which would remedy the situation, but to date nothing has been done.

Then there is the claim that the wheat pool has been underselling Canadian wheat to continental millers, which has enabled them to meet the competition of mills in this country. This has been categorically denied, but the fact remains that German millers have secured a large share of trade that was formerly considered a closed market for the Canadian product.

The increased production, therefore, has been taken in such markets as the United Kingdom, Newfoundland, the Orient and certain of the European countries.

With the lower prices for wheat, it is expected that the European demand will be better in the next six months, which should reflect itself in larger output. At present prices, the raw materials entering into the manufacture of wheat flour are substantially less than last year and this should aid in bringing about an increased consumption of flour.

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CANADA CEMENT GIVES UP GYPSUM MINE OPERATION

Eastern Properties Will be Worked by Atlantic Gypsum

From Our Own Correspondent

MONTREAL.—A consolidation of gypsum quarry operations, effective at the beginning of this month, has been entered into between the Canada Cement Company and Atlantic Gypsum Products Company.

All the Nova Scotia crude gypsum rock used by the two companies will henceforth be produced by the Atlantic Gypsum Products Company, which will furnish the cement company with its requirements of gypsum rock for eastern Canadian plants.

The consolidation marks the retirement of the Canada Cement Company as a manufacturer of gypsum products in the United States, its subsidiary plant, that of the Pennsylvania Gypsum Company at Chester, Pa., having been sold to the Atlantic Gypsum Products Company, whose quarries are situated at Walton and Cheticamp, N.S.

Canada Cement Company has up to this time met its gypsum requirements from its quarry at Ingonish. In addition that company owns a large deposit of high grade gypsum rock on tidewater at Antigonish, Nova Scotia. Under long-time contracts the Canada Cement Company has furnished to Canada Gypsum & Alabastine Co. Limited, the largest Canadian manufacturer of gypsum products, the crude rock requirements for its eastern Canadian business. Canada Cement Co. Limited, has also supplied all the gypsum rock for its subsidiary, Pennsylvania Gypsum Co. at its plant on the Delaware River at Chester, Pennsylvania, 12 miles from Philadelphia.

Extensive Deposits

Atlantic Gypsum Products Company has met its own requirements for crude gypsum rock for its North Atlantic Seaboard markets from its quarries at Walton, N.S. and at Cheticamp, Cape Breton, both of which are on tidewater and capable of large-scale low-cost operation in the supply of high grade gypsum rock. It operates a long-established gypsum products plant located on the East River in N. Y. City, and a complete plant at Portsmouth, New Hampshire, supplying the New England markets. Its raw material, crude gypsum rock, is naturally adapted to economic manufacture of gypsum products at seaboard plants, and is essential to most eastern markets, especially to New England. Atlantic Gypsum Products Co.'s development programme includes a logical expansion in these markets.

Under the new arrangement Atlantic Gypsum takes over the plant and business of the Pennsylvania Gypsum Co. which supplies the Philadelphia, Baltimore and Washington markets from its tidewater plant at Chester, Pa. Under a long-time contract Atlantic will ship from its Cheticamp quarries all of Canada Cement's gypsum rock requirements for its eastern Canadian cement plants.

Maple Leaf Opens Mill

What is equivalent to a new industry in so far as it means the employment of an additional staff of thirteen persons, has been brought to Medicine Hat by the taking over of the manufacture of Red River Cereal by the Maple Leaf Milling Co., the mill turning out the cereal for distribution over the territory from Fort William to the Coast. A separate plant will be built to produce this cereal.

Alley Syndicate Sells Some Nickel too Soon

But Further Purchase is Made and Average Result of Tradings in Two Stocks Excellent — Profit in Four Months 19 Per Cent.

In the skyrocketing of International Nickel, the Alley Syndicate did very well, but might have done better if a luncheon party of 60 per cent. of the directors had not resolved itself into what an absentee called a palaver of pessimism. The result of this luncheon was that 20 of the 30 shares held by this tiny investment pool were sold at 148 just a day or two before the stock began its dizzy ascent to just below the 200 mark.

This sale was made on October 16. Perhaps it will be recalled that Nickel was hesitating somewhat around those levels and it was thought that it might slip back a few points and enable astute operators to pick up the stock again at lower prices.

Would Outguess Market

The Alley Syndicate has been attempting with some success to outguess the market in Nickel since the first organization of the syndicate in May, 1927. The first purchase of thirty shares, constituted perhaps an unsound proportion of the syndicate's total funds at that time. Ten shares were sold at 64 and ten at 75. There were perhaps a dozen trades between the early eighties and 100 and each trade was at a profit. There was a sale at 102 and then the syndicate reviewed its record. It was found that the ten shares which had been held from the beginning had been paid for by the profits in the trading on the other shares.

There was a 25-point profit on the twenty shares which were sold at 148. Fifteen shares bought at 175 on October 15 brought the average price of the 25 shares held by this syndicate (organized July 1) to 122. At 190, the profit is 68 points, or $1,700 on 25 shares. This profit is in addition to the profit on Nickel shares by the first pool, which sold to pool No. 2 at the market price on November 30, 1927, and above the profit on Nickel shares in Pool No. 2, which sold to the present pool, No. 3, on June 30, 1928.

The Alley Syndicate owned 100 shares of Mond before it was listed in this country. The holding was sold, however, in a few weeks at profit of about $500. The original purchase price was around $12, including the somewhat heavy expense of making the transaction by cable. When the stock was first listed in this country, a further 50 shares were bought and the holdings at present, including sixteen shares acquired by way of rights at £3 10s., total 75 shares averaging 21¾. At 32½, the profit on Mond at this time is $806.

As at October 31, the Alley Syndicate finds itself with actual and paper profits of 19 per cent. This gain has accrued from trading since July 1, the date when Pool No. 3 took over from Pool No. 2 at the market price. The directors of the syndicate apparently are fairly well satisfied with these results in view of the fact that the market was not especially favorable through the summer months, although it is noted that nearly half of the profits come from the two nickel stocks, while the other half of the profits accrues from a total of 58 stocks, including precious-metal mines.

Stock Totals $30,115

At the end of October, stocks held had a gross market value of $86,608. The cost, or book, value was $80,355 and the loss on certain stocks sold totalled $681. Adding cash of $420 and profit and loss balance of $181 (this is excess of dividends over interest charges), the paper profit is $5,752. Shareholders have paid in a total of $30,115, so that the apparent profit at the end of October is 19 per cent., with three months to go before there is splitting of the profits for the third time.

The balance sheet as at October 31 presents this picture:

Assets—		
Cash	$ 420	
Investments .	80,355	
Reserve a/c def.	682	
Liabilities—		
Bank Loan ..		$ 9,750
Owing brokers		41,411
Owing shareholders ...		30,115
Profit and Loss		182
	$81,457	$81,457

The syndicate now carries only one paper stock, Dryden. This was bought at 32½ and is now selling at 38. Price Bros., which was held when Abitibi was disposed of some months ago, was sold in October at 68. There was a loss of $170 on ten shares for this pool.

In the steel group the syndicate carries five stocks and each is at a profit. Lake Superior Corp. was bought at 7 and is now selling at 17½. Massey-Harris, bought at 46½, is selling at 54 or thereabouts. Page-Hersey was bought at 107 and Steel of Canada at 201.

The situation as regards the stocks grouped in the general classification of milling, foodstuffs and merchandizing is almost satisfactory. Hudson's Bay Co., bought at 30, is now about two points lower. International Proprietaries Class A stock was bought at 40 but is not at the moment marketable. Alberta Pacific Grain is down five points on 25 shares. On the other hand, B. C. Packers was bought at 14½, Canners second preferred at 21, City Dairy at 56¾, Pure Gold at 29, J. S. Mitchell at 50½ and Consolidated Food at 9½.

Profit in B.C. Power

In the utility group, no great profits are shown. There is a 5¼-point profit on 50 shares of B. C. Power B, a one-point loss on International Utilities B, a 2½-point loss on Montreal Power, a 6-point loss on Quebec Power. There is a 2½-point gain on 25 shares of Shawinigan and 35-points gain on five shares of Southern Canada Power.

The average cost of the syndicate's 25 shares of Brazilian is 51¼. The average cost of 25 shares of Winnipeg Electric is 104½. C. P. R. was bought recently at 216¼. The syndicate is down one point on Canada Dry but is up fourteen points on Hiram Walker.

Oil stocks are profitable to this syndicate, on the average. Imperial Oil was bought at 67 some months ago. An earlier purchase was International Petroleum at 43. The syndicate also has held Supertest for some time, at 32. British-American Oil is a new stock for this syndicate. It was bought a week ago at 50¾.

Sells Loan Stock

In the miscellaneous group there are some sound stocks on which a profit is shown. F. N. Burt was bought at 75¾ and Pacific Burt at 111. Canadian Vickers cost 33 and Goodyear Tire 151. U. S. Rubber was bought at 31½ and Hayes Wheel was acquired recently at 44½.

The Alley Syndicate does not buy bonds or preferred stocks, but a cushion of stable stocks is provided in trust and loan stocks. Acadia Trust, acquired at 315, is now worth 320. Ontario Loan & Debenture, bought at 133 is probably marketable at 135. The syndicate also had a few shares of Toronto Mortgage, but sold this in the last month in order to use the cash for the purchase of more active stocks. Five shares of Royal Bank stock were bought at 385.

Frozen Mine Assets

The Alley Syndicate in the last month absorbed another syndicate which had been operating in the mining market for about a year with varying success. The assets of the mines syndicate were taken at the market value. As the mines syndicate owns shares in certain mining ventures which are in the embryo stage, it is possible that some handsome profits will accrue to the shareholders of the Alley Syndicate. However, it is said that the hopes of success from these syndicates are kept in check by the fact that the assets at the moment are frozen.

Along with the assets of the mines syndicate the Alley group got some penny stocks which it does not desire to hold. These will be disposed of whenever the time seems propitious, it is said. The Alley Syndicate's mining holdings, exclusive of the nickel stocks, now are as follows:

Shares	Stock	Cost	Recent Market
500	Bidgood	87	39¾
200	Cent. Manitoba	1.10	80
50	Venture "A"	$5	....
90	Hollinger	9.90	9.00
500	Howey	71½	89
50	Hudson Bay	19.05	18.40
2,000	Venture "B"	10	....
50	Lake Shore	22.50	21.00
100	Malartic	1.34	1.08
4,000	Venture "C"	16¾	48†
5,000	Venture "D"	10	....
1/20 unit	Venture "E"	$200	....
40	Noranda	$50.25	$54.25
50	Pend Oreille	$15	$11.80
125	Sherritt-Gordon	$6.30	$6.90
250	Sudbury-Basin	$9.35	$7.85
50	Teck-Hughes	$10.90	$8.70
1¾	Venture "F"	$175	....

† Last sale; day-to-day bids appear to be merely nominal.

The syndicate is carrying the various mining ventures which have not reached the development at the cost value although one at least appears to have a value which should net this syndicate a profit which largely will offset the cost of participating in the others. The ventures are diversified as to locality, management and otherwise, and it is claimed that the speculation will have been justified if only one or two come within measurable distance of realizing the hopes of their promoters.

Selling Tobacco Crop

The market for flue-cured tobacco, the type used in the making of cigarettes, has opened in Norfolk and Essex recently, and ninety per cent. of the harvest had been purchased by the end of October. Several of the Norfolk crops suffered from hail in August, and some of the Essex growers lost heavily by frost in September, but where these hazards did not make themselves felt, the crop averaged about 1,000 pounds per acre.

Western Investments

Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.

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90

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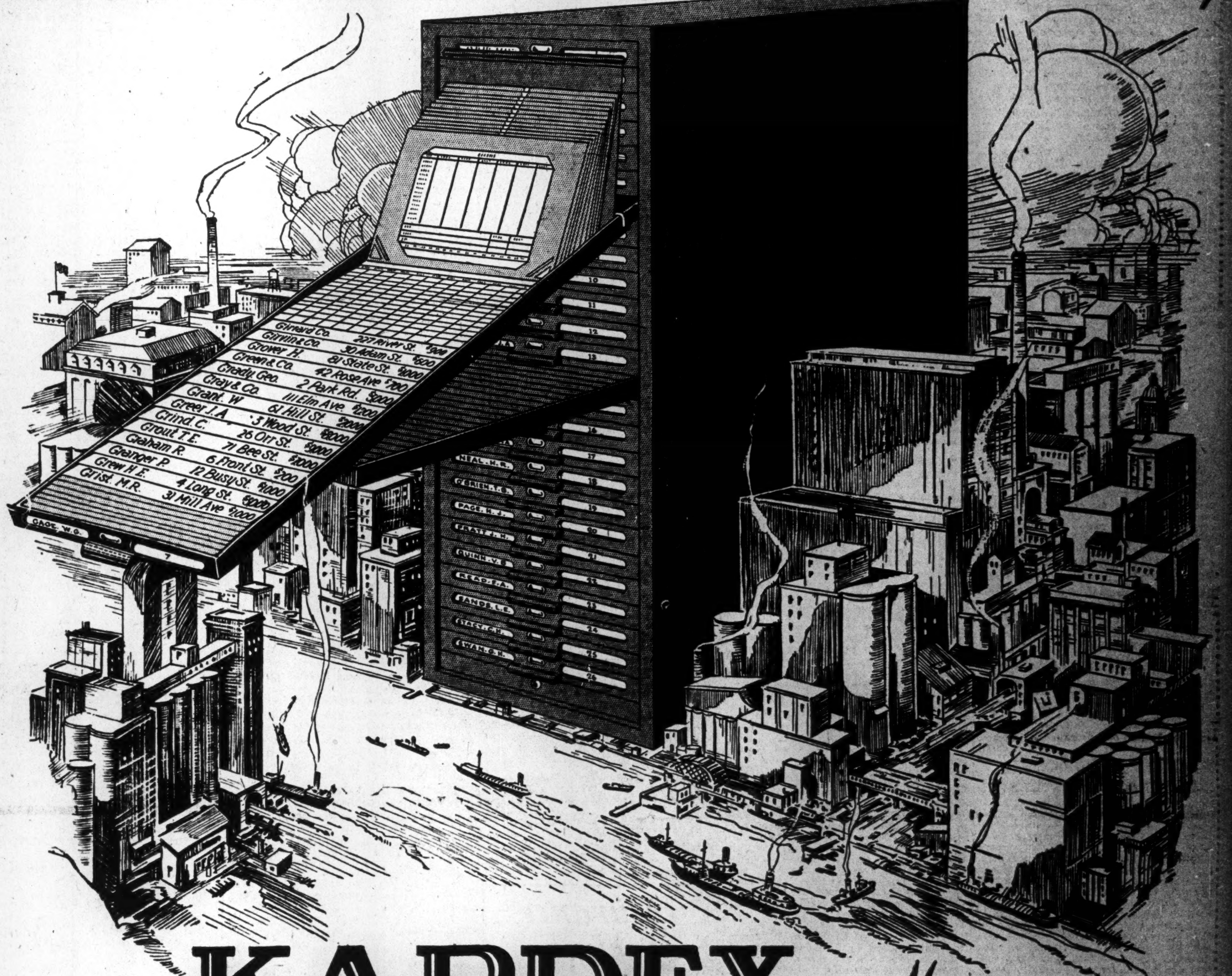

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Insurance for Buyer and Seller

STATE FUND ILLS ARE PROPOUNDED TO SASKATCHEWAN

Virtue of Private Insurance in Compensation Field Extolled

FEATURES ANALYZED

V. Evan Gray Submits Informative Brief to Western Province on Important Matter

What price state insurance?

Here is a question that has been argued for years in all parts of this continent and probably will be argued equally as vehemently in the future. The question received tremendous publicity during the past 1927 in Quebec in the matter of workmen's compensation insurance, and it is to the credit of the insurance companies that the act that is in force there to-day comes largely as a result of their efforts in proving to the government the efficiency of a system of private insurance as against a state monopolistic plan.

To-day the scene has shifted to Saskatchewan, and a Royal Commission appointed earlier in the year has been collecting evidence for and against a state fund for workmen's compensation insurance. In this connection The Post reprints herewith a remarkable analysis of the state versus the private plan of insurance prepared by V. Evan Gray, and which is shortly to be circulated in pamphlet form throughout the Western province.

Mr. Gray, who is chairman and counsel for the Canadian Casualty Underwriters Association, says:

"The Canadian provinces have been conspicuous for their adoption of the government monopolistic fund for workmen's compensation insurance. This plan was adopted in Ontario in 1915 and quickly copied by the Western provinces, except Saskatchewan, and by the Maritime provinces, except Prince Edward Island. But this plan has not been generally adopted elsewhere. In Europe, only Norway and Switzerland and some Balkan States have adopted this system. Great Britain and France maintain the private insurance system; Germany invented the principle of group collective liability of industry for workmen's compensation but established mutual associations of employers to administer each group.

"So far as I can ascertain, there is no strong movement, either in Great Britain or in France, for the nationalization of this business, notwithstanding many other lines of government activity in the operation and control of businesses. In the United States, only Ohio and West Virginia, of all the states east of the Mississippi, have adopted the monopolistic state fund plan. The other states are Nevada, North Dakota, Oregon, Washington and Wyoming.

Movement on Wane

"The trend of opinion in United States in favor of such funds, seemed to reach its peak in 1911 and to have receded since that date. Out of thirty-three states adopting workmen's compensation laws since 1911, only four have provided for monopolistic state funds. Out of twenty-three states adopting compensation laws since 1913, only two have adopted monopolistic state funds. Out of twelve states adopting compensation acts since 1915, only one has adopted a monopolistic state fund plan. Porto Rico which had adopted the plan, abandoned it this year after an unsatisfactory experience in favor of a competitive plan.

"I come now to a consideration of the relative merits of the service which can be provided for employers and workmen by a private insurance system and by a government administered department. There is a fundamental difference in the objectives of these two services which ought to be recognized in the beginning. It is this—the objective of the state fund administration is to properly assess and determine the claims of injured workmen or their dependents upon the funds under administration, to make sure that the sums collected from the persons liable to pay are adequate to meet the charges upon the fund occasioned by these claims and finally, to equitably distribute the burden of this cost among the contributors. In other words, the state fund plan is a collection and distribution agency to which are attached certain judicial functions of interpreting and applying the law to the rights of individuals.

Companies Provide Service

"A commercial insurance system in workmen's compensation has an objective and purpose which are different from these in a very important manner. The joint stock insurance company enters into a contract with an employer by which, for a consideration, usually determined in advance, he undertakes to pay and discharge all liability accruing to that employer under the workmen's compensation act. The objective of the company is to provide such a satisfactory insurance service that, in competition with others, it may be able to maintain or extend its business upon a basis which will result in a profit to the insurer. There are involved, therefore, two vital elements,—a satisfactory insurance service and a profit to the insurer.

"It is immediately obvious that the desire of the insurance company to obtain a profit on the administration of its insurance business will constitute the very best inducement to the reduction of accident costs on industry, to accident prevention, the protection of the worker and his re-establishment in a useful occupation. Every one of these is a useful public service for which the inducement under the government plan is an ideal of public service but which, under a commercial insurance system, has joined to the public service ideal the important stimulus of profit. And is not this service, in the final analysis, the most important element from the standpoint of the public interest?

Justify the Cost

"The record of the operation of government workmen's compensation plans in Canada is often quoted to show that the administration expense of the government fund is relatively much less than that of private insurers in relation to the amount actually distributed to injured workmen or their dependents. It is very reasonable that joint stock insurance companies should be asked to justify their higher expense ratio and I am very glad of the opportunity to undertake to do so.

"Not all private insurance carriers require the same expense ratio for operation. Large self-insurers administer their own compensation funds at a very low ratio of expense. Certain well-organized mutual insurance companies, which undertake workmen's compensation insurance, operate at expense ratios quite as low, and sometimes lower, than state funds. There are no official figures available in regard to Canadian experience of insurance company expense ratios. There is a detailed analysis of United States experience, showing exactly how the insurance premium received by joint stock companies is applied in the payment of claims and expenses. 17½ per cent. is applied to payment of agents' commissions and field supervision expenses; eight per cent. is required for claim adjustment expenses; two per cent. is expended on payroll audits; two per cent. on mechanical inspections and safety engineering; 2½ per cent. in payment of dominion and provincial taxes and license fees and eight per cent. in general office and administration expense.

Detailed Costs

"No element of profit or dividends to shareholders is included either in this analysis or in the rate-making procedure of the casualty insurance companies. Companies depend for their profit, if any, in workmen's compensation administration upon improving the loss record of their business and securing a profit on their underwriting experience or upon obtaining an interest return on the investment of capital, surplus and reserve funds.

"In this respect the Canadian experience shows a loss ratio in the past three years as follows: 1925, 82.4 per cent.; 1926, 71.2 per cent.; 1927, 81.7 per cent.

Suffer Heavy Loss

"When the expenses of administration are added to the amounts of losses incurred, as shown in these figures, the insurance companies are shown to have suffered serious underwriting losses on this class of business. This is not a normal or a sound condition and it must, of course, be rectified in due time.

"But in every case, it is surely obvious that the relative merits of the systems do not depend upon the expense ratio of operation or even upon the aggregate cost but rather upon the value of the service rendered in relation to the cost charge.

"The best possible evidence of this is to observe the systems operating in a competitive situation. Non-tariff joint stock companies operate in the same field as the tariff members and at lower rates of premium but not all, nor even a large proportion of persons, buy non-tariff insurance. Well-managed mutual insurance companies operate on a lower expense ratio than joint stock companies but they do not get all the business on that account. These conditions may be observed right in Saskatchewan at the present day.

New York Example

"There are several jurisdictions in the United States where government administered workmen's compensation plans operate in the same jurisdiction and in competition with private insurers and with self-insurers. One of the most conspicuous examples is the New York State Fund. In New York State, the cost of insurance with the state fund is nearly 28 per cent. less than insurance in the same state with joint stock insurance companies.

"The state fund is open to any insurer who will apply for its service. Yet what is the record of the operation on effect of this competition? According to the latest official figures, the New York State Fund wrote only 8.1 per cent. of the business which was insured in that state. Over a ten-year period of competition, the New York State Fund has written less than nine per cent. of the amount insured in New York State on all plans and by all carriers.

Prefer Companies

"The reason for this extraordinary result is that 92 per cent. of the insured employers of New York State find it desirable and profitable to secure private insurance at higher cost than to buy state fund protection at lower cost. Figures from other jurisdictions in the United States, where state funds are operated on a competitive basis, will show a similar result and conclusion. The figures for 1925 show that in the nine states in which government competitive state funds operate, out of a total of $101,663,360 of workmen's compensation premiums, the government-operated funds received only $14,904,543, while private insurers received $86,757,817 or 85.3 per cent.

"Expense ratios and premium rates are not the last words in determining the merits of the respective insurance systems. The real question is what value is received for the money paid and by this test, a private insurance system, on a competitive basis, will show its right to exist and offer its service to the public."

Small Estates Dwindle Showing Need for Insurance

Taxes, administration expenses and debts take a heavy toll of estates, according to a careful compilation by an American bank.

The average estates shrink about 25 per cent. during settlement it is shown. Smaller estates shrink more than that while very large estates meet a heavy burden of death duties and shrink more than estates in the $30,000 to $1,000,000 class.

The shrinkage of small estates is largely in the payment of accumulated debts and administration charges. Life insurance provides ready cash to meet debts and because it is realized upon without delay reduces administration charges.

The extent of shrinkage from various causes is analyzed herewith for estates of varying sizes:

Sizes of Estates Between	Taxes %	Administration %	Debts %	Total %
$2,000 and $10,000	1.4	16.7	20.6	38.7
10,000 and 30,000	2.1	13.2	18.2	33.5
30,000 and 50,000	1.5	7.5	10.0	19.0
50,000 and 100,000	2.0	6.0	9.0	17.0
100,000 and 500,000	4.5	5.5	8.0	18.0
500,000 and 1,000,000	8.0	4.0	7.0	19.0
1,000,000 and 5,000,000	11.0	3.0	6.0	20.0
5,000,000 and 10,000,000	16.5	3.0	4.5	24.0
10,000,000 upward	22.5	2.5	4.0	29.0

New Superintendent

H. G. GARRETT,
who has just been appointed Superintendent of Insurance for the province of British Columbia, to succeed John P. Dougherty. The appointment takes effect Nov. 1. Mr. Garrett held the position of superintendent for many years but was replaced by Mr. Dougherty in 1921. He is also Registrar of Joint Stock Companies for the province. In his more athletic moments he was a brilliant tennis player, being a provincial champion of many years standing.

Insurance Problems

Insurance questions of general interest submitted by subscribers of *The Financial Post* will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Commonwealth Life

Will you please give me your opinion as to the advisability of retaining shares in the Commonwealth Life? I now hold 20 shares which I purchased at $40 per share. I also hold some shares of Hudson's Casualty and Independent Indemnities. How do you regard these companies?

We would advise you to hold on to your twenty shares of Commonwealth Life. The stock you hold was bought at a very reasonable figure, and as you probably know, Treasury stock has since been offered at $37.50 per share. The current market price is somewhere around $25 per share. The company is well managed and is building up a very nice type of business in Western Ontario and the Niagara Peninsula, where it operates.

The other two companies upon which you ask our advice are American Companies, and as such, we are unable to give you very complete information. Neither of these companies operate in Canada, but we understand their stock has been distributed to a certain extent among Canadian investors.

The Hudson's Casualty is now quoted at between $10 and $12 per share. It is paying a yearly dividend of 40c. per share which is equivalent to 8 per cent., and we believe the company's stock looks attractive as a hold.

The same may be said of Independent Indemnities. This stock is at present quoted at beween $25 and $27 per share and from what we know of the company we would advise you to hold on to the stock even though your holdings show a loss at the present time. This company is also a dividend payer and is apparently in good hands.

Empire Life

I hold some stock of the Empire Life but am considering selling it as I hear frequent rumors that the smaller insurance companies will not be able to stand up against the larger companies and that it is only a matter of time before they will be absorbed and disappear. Do you advise me to sell under the circumstances?

We find no support to your statement regarding rumors that the larger insurance companies might probably be taking over the smaller and new companies.

Only a few weeks ago in Montreal, Superintendent Finlayson reiterated the Government's position in this regard by saying, "The attitude of the Government has been for years, and will probably continue to be, that merging of companies is to be avoided in the public interests, except where it is shown to be necessary for the protection of policy holders of one company or more."

Regarding the Empire Life, we understand that the company is making very satisfactory progress. The company is putting a substantial amount of business on its books, and expects to write something like $4,000,000 this year, which would bring its total in force up to $10,000,000. This is a substantial amount for a young company, and indicates that the company is in progressive and competent hands.

There is a probability that a small cash dividend may be paid to shareholders at the turn of the year, so we would advise you to hold on to your stock, as we believe it should appreciate in value over a term of years.

Insurance Inklings

J. E. Merryfield has been appointed to the position of manager for Vancouver and district for the Ontario Equitable Life and Accident Insurance Co., to succeed C. E. Mooney who becomes western superintendent of agencies. Mr. Merryfield was formerly provincial organizer for the Conservative party in British Columbia and is widely known throughout the province. The promotions were announced by G. W. Geddes, actuary of the company, who has been on a tour of the western agencies.

The Ontario Equitable has set an objective of fifty millions of business in force by the end of 1929. and expects to write 50 per cent. more business in 1929 than will be written in the current year.

An example of mutual insurance with a vengeance is reported as follows in the "Bulletin" of the U. S. Fidelity and Guarantee Co. Twelve special trains were required to convey 21,000 defendants in a bankruptcy suit last month. The defendants were members of a co-operative company in Cracow, Poland. The trial was held in the open air and an immense wooden stand was erected for judges, attorneys and witnesses. The 21,000 defendants were accommodated on forty rows of benches each 600 feet long and numerous megaphones and amplifiers were installed to make the testimony and speeches audible.

Frank H. Whitney and Clement Willingdale of Calgary continue to lead in production for their respective companies, the Travellers' Insurance Co., and the Travellers' Fire Insurance Co., according to the figures of production for the first nine months of 1928.

In a recent contest between the Winnipeg and Toronto offices of the Travellers' Insurance Co., the progress of the race for greatest production was shown graphically in Winnipeg by a miniature race track, around which miniature horses proceeded in direct ratio to the amount of production secured by their respective owners. Winnipeg office, it is reported, were ahead at the wire.

The Lincoln Fire Insurance Co., of New York has been issued license number 1,593 to transact the business of fire insurance in Canada by the Department of Insurance in Ottawa. Theodore Meunier will be manager of the company in Canada.

J. B. Hall, president of the Dominion Life Underwriters' Association, in a recent address before the Montreal branch of the association, stressed the need of a larger membership throughout Canada and particularly Quebec.

Classes of the Insurance Institute of Montreal have been well attended to date and show a healthy interest in the institute by the members. J. B. Thomson, F.C.I., assistant manager of the Globe Indemnity Co., of Canada, gave an address on November 5, upon the subject of "Personal Accident and Sickness Claims."

Smith & Walsh, of Toronto, have been appointed general agents of the Fire Association of Philadelphia in the province of Ontario by Theodore Meunier, manager of the company in Canada. The Fire Association of Philadelphia was organized in 1820 and is thus one of the oldest American companies.

Brewster & Cross, adjusters of Winnipeg, have recently reorganized and taken into partnership W. McLaws and Leslie Ham. The new firm will be known as Brewster, Cross, McLaws and Ham and will occupy quarters in the Paris building.

H. G. Mistele has been appointed assistant treasurer of the Ontario Equitable Life and Accident Insurance Co., of Waterloo. Mr. Mistele who was formerly manager of the Royal Bank of Canada in Waterloo and has recently been manager of the Main and Sherman Streets branch of the Royal Bank in Hamilton, will commence his new duties on December 1.

Directors of the Maritime Life Assurance Company at the recent quarterly meeting of the board stated that by the end of the present year the business in force would amount to seven million dollars. The progress made during the last three months period was reported as very satisfactory.

Capt. W. H. Currie of the Ottawa agency of the Great West Life Assurance Company was seriously injured when the Moth plane in which he was flying took a nose-dive at Camp Borden, Ont. The pilot of the plane, Flying Officer A. E Reynolds, was killed in the crash.

Recent appointments made by the London Life Assurance Company are: E. C. Taylor as district supervisor for Lambton county, Ont.; R. J. Rogers, district supervisor of Toronto North, with headquarters at the Toronto Bay office; John Nursall, supervisor in Manitoba with headquarters in Winnipeg; Arnold Holmes, C.L.U., formerly superintendent in Hamilton to city manager in Montreal St. Lawrence.

TORONTO CAS'LTY TO RECONSTRUCT CAPITALIZATION

Company to Issue Stock of $10 Par, Fully Paid — Cancel Old

Plans for the reconstruction of the Toronto Casualty, Fire & Marine Insurance Company, as proposed by the directors of the company, received unanimous approval at the recent meeting of the shareholders.

The plans calls for the cancellation of the whole of the authorized capital of the company which amounts to 20,000 shares par value $100 of which 11,193 shares are subscribed and outstanding and of which 1,094 are fully paid and 10,099 partly paid. These shares will be replaced by 200,000 shares of the par value of $10 each and the holder of each subscribed and issued share of the company upon which the sum of $15 has been paid will receive one of the new $10 par value fully paid shares. Holders of the old shares who have paid an amount in excess of $15 will receive one share of $10 fully paid for such amount as shall be determined by a division of the tangible assets of the company by the number of shares originally issued and outstanding.

The shareholders also approved of the action of the directors in accepting an offer of the Canadian General Securities, Ltd., to underwrite 15,000 of the new shares at a price per share as shall be determined by a division of the tangible assets of the company by the number of shares originally issued and outstanding.

Additional shares numbering 11,193 will be offered to the shareholders of the company on the basis of one new for one old, on the same terms as granted the Canadian General Securities, Ltd. Rights on the new shares will expire December 15, and all shares not subscribed for will after that date be allotted to the Canadian General Securities, Ltd.

The uncalled liability in respect of the old shares will be automatically cancelled by the surrender of the shares and the issuance of the new $10 par value fully paid shares.

The shareholders also confirmed the taking over of the Atlantic Insurance Company by the Toronto Casualty Co.

Licenses Granted

A license has been issued to The Wawanesa Mutual Insurance Company, authorizing it to transact in Canada the business of fire insurance and insurance against loss or damage to buildings by windstorm. C. M. Vanstone, Wawanesa, Manitoba, has been appointed chief agent for Canada.

COMPANY ADOPTS DEFINITE SCHEDULE FOR AVIATION RISK

Manufacturers Life Sets Rates for Various Classes of Fliers

A forward step with respect to aviation insurance has been taken by the Manufacturers Life Insurance Company in the drawing up of a definite practice to be followed for the present. In the first place it is emphasized that each case involving aviation hazard must be treated strictly on its merits. Detailed information must be supplied the company in all cases and an aviation questionnaire filled out to accompany each application where a possible aviation hazard exists. The rates as laid down by the plan vary with the class of flier. Commercial pilots will be charged about $25.00 per thousand extra; aero club members $20.00 extra with a refund if the number of flights taken is less than ten; passengers will in most cases, be taken at no extra rates.

This action of the company was taken with the aim of furnishing an answer to the question:

"What rates shall be quoted prospects that are engaged in flying or intend to make occasional flights?" This is a problem that the insurance companies are being faced with daily as a result of the strides made by aviation in Canada during the past year. More and more people are taking up flying and as a result this type of hazard is being made the cause of much investigation by the companies in order to arrive at some equitable schedule of rates. The difficulties confronting them in the evolving of such rates are the lack of experience, the lack of adequate records and the fact that conditions are changing rapidly. To meet the situation some of the companies have put into effect an underwriting practice with the understanding that it is tentative and may be changed at any time.

A brief outline of the manufacturers' practice with regard to a few types of aviation hazard is as follows:—

1. Passengers (a)—Applicants who intend to limit their participation in aeronautics to occasional trips over well-recognized air-lines operated on definite schedules between the larger centres by qualified pilots may be considered at standard rates. Attention is drawn to these points:

(1) That the air-line must be between larger centres.

(2) That flights taken are regular scheduled flights.

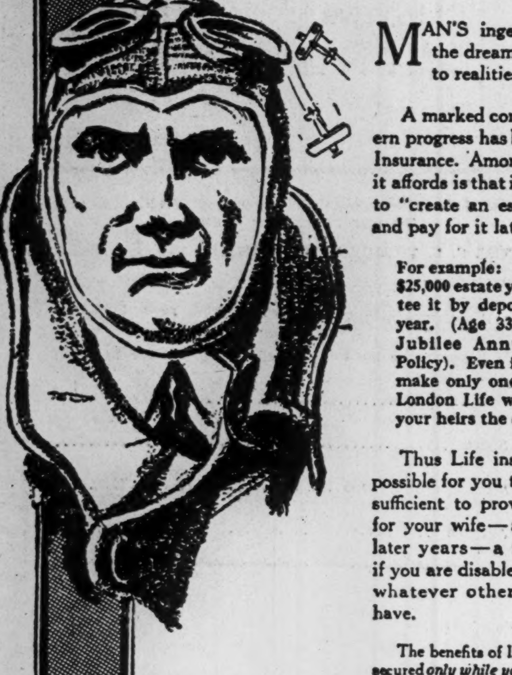
(3) That the number of trips taken be relatively small. If an applicant contemplates taking more than six flights per year, as above, an extra premium will be required.

(b) Passengers other than above will be treated strictly on the merits of the case.

2. Commercial Aviators.—Each case will be considered strictly on its merits. In completing the questionnaire in these cases, as much information as possible should be secured not only with regard to the actual nature of the applicant's duties but also with regard to the firm by which he is employed. The extra premium which will be charged for commercial pilots operating under the most satisfactory conditions will be in the neighborhood of $25 per thousand. Air mail pilots

(Continued on page 13)

Better Days — Better Ways



MAN'S ingenuity has turned the dreams of yesterday into realities of to-day.

A marked contribution to modern progress has been made by Life Insurance. Among the advantages it affords is that it enables a person to "create an estate immediately and pay for it later."

For example: If you desire a $25,000 estate you can guarantee it by depositing 2% per year. (Age 33, London Life Jubilee Annual Dividend Policy). Even if you lived to make only one deposit the London Life would deliver to your heirs the entire $25,000.

Thus Life insurance makes it possible for you to set up an estate sufficient to provide a life income for your wife—a fund for your later years—a monthly cheque if you are disabled—or money for whatever other needs you may have.

The benefits of life insurance can be secured *only while you are in good health.* For this reason the agent is your friend when he advises you to take life insurance NOW.

London Life Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA

THE MONARCH LIFE
A Progressive Canadian Company
Provincial Offices
Toronto, Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria, St. John, Halifax.

Don't Fear Old Age

Do you fear want in your old age?

You can turn that menace into an alluring prospect — through a Sun Life Pension Investment Bond.

It provides a monthly income starting at any age — 50, 60 or 65 — and continuing till death.

Arrangements can be made whereby, should you become disabled, premiums stop and the pension commences.

The pension cannot die while the pensioner lives.

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The CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office - Winnipeg, Man.
E. F. HUTCHINGS, *President.*
HENRY SANDISON, *1st Vice-President and Managing Director.*
T. S. MCPHERSON, *2nd Vice-President.*
Applications for Agencies Invited

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THE Confederation Life salesman has made a special study of all forms of life insurance protection. He has all the facts at his finger tips. By consulting him you have the advantage of gaining expert knowledge without one cent of cost.

Consult a specialist, he knows how to advise you.

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ESTABLISHED A.D. 1851

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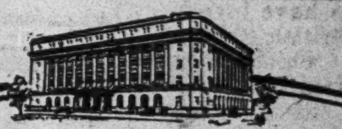
Assets — $2,704,909 Surplus — $1,282,787
GENERAL CLASSIFICATION OF BUSINESS TRANSACTED
POLICYHOLDERS' DIVIDEND RATE 25% TO 30%
Seneca Jones & Son, Hamilton, Ont. — Canadian General Agents

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$94,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary W. H. HUNTER, President ALEX. STEWART, Treasurer

The Mutual Life Assurance Co. of Canada
Most worry is due to dangers that threaten those who are dependent upon us; a Mutual Life policy removes that worry.
HUME CRONYN, *President* W. H. SOMERVILLE, *General Manager*



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THE Chinese say a journey of a thousand miles commences with a single step. Financial independence for later years begins with one single step:—Thrift. Let us show you how to start with a Double Maturity Endowment maturing at age 60 or upwards.

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THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE - - TORONTO, CANADA

Current Events in Banking World

COMMERCE BANK HAS GRAND TOTAL OF 818 BRANCHES

Will be Only Few of These to be Closed Up

NEW APPOINTMENTS

Consent to the merger of the Canadian Bank of Commerce and the Standard Bank of Canada was granted by the Treasury Board and Cabinet Council upon the recommendation of the Minister of Finance on November 3rd. The Standard Bank has now ceased to exist and all branches of the bank opened on November 5th as branches of the Canadian Bank of Commerce.

The number of branches controlled by the merged banks on September 30 was 818, of which 592 were branches of the Canadian Bank of Commerce and 226 were branches of the Standard. There are only forty duplications out of this number and it is understood that no changes will be made for the present. Later it is expected that some of the branches which overlap will be consolidated, but wherever conditions warrant, both branches will be retained.

New Officers Appointed

The head office of the Canadian Bank of Commerce announces the following appointments of former officials of the Standard Bank to new positions with the new bank at the head office:

F. G. Stanley, formerly superintendent, to be inspector; A. K. Houston, formerly chief inspector, to be inspector; J. M. Sutherland, formerly inspector, to be assistant inspector; J. K. Fraser, formerly chief accountant, to be assistant secretary; E. J. Beger, formerly inspector, to be assistant inspector; H. H. Loosemore, formerly secretary to directors of the Standard Bank, to be assistant secretary.

In the Department of Ontario Branches the following changes have taken place: N. C. Stephens, formerly assistant general manager, to assistant superintendent; H. S. Louden, formerly inspector, to be assistant inspector; R. H. Short, formerly supervisor, to be assistant inspector. In the Manager in Chief's department in Hamilton, R. D. Little, formerly supervisor at the head office of the Standard, has been appointed inspector and F. Walton also a supervisor at head office has been appointed assistant inspector.

F. D. Patterson, formerly superintendent of Western Branches for the Standard, has been appointed inspector in the superintendent's department in Calgary, and J. C. Scott, formerly inspector of Western branches, has been made assistant inspector in the superintendent's department at Regina. P. B. Billington has been appointed assistant inspector at Winnipeg.

As previously announced in The Post, Arthur F. White, president of the Standard Bank, becomes vice-president and N. L. MacLeod, formerly general manager of the Standard Bank, becomes assistant general manager of the Bank of Commerce.

COMPANY ADOPTS DEFINITE SCHEDULE FOR AVIATION RISK

(Continued from page 12)

will usually be charged more than $25 per thousand extra.

3. Aero Clubs.—(a) Members of Aero Clubs who are not yet qualified pilots and who are flying under the supervision of competent instructors will be accepted with an extra premium of $20 per thousand. In cases where a member takes a limited number of flights per year, provision will be made for the refund of a portion of the extra premium. No refund will be made in cases where the number of flights taken in a year exceeds ten. Where the number of flights taken is less than ten a refund of $2 for each flight under this figure will be granted, e.g., only six flights taken would mean a refund of $8.

(b) Members of Aero Clubs who at the time of application are qualified pilots will have the extra premium determined on the merits of the case. The extra will be in the neighborhood of $20, being greater or less, depending on the circumstances peculiar to the case.

(c) Instructors.—Each case treated strictly on its merits.

4. Aviators engaged in stunting will be declined.

Policies issued on the lives of persons coming under these classifications will in most cases be limited in amount, this limitation depending on the amount of aviation hazard and the definiteness of the information available.

If an applicant for insurance intimates that he intends to engage in aviation, the following questions will be asked on a special questionnaire:

1. How long have you been engaged in the occupation of aviator?
2. Are you engaged in this business commercially? If so, in what capacity (Please give complete details).
3. How many flights did you take in the past 12 months? in the past 24 months?
4. Did you take these flights as pilot, observer, instructor or passenger?
5. How many flights do you expect to take in the next 12 months in each of above capacities?
6. How many hours do you expect to devote to flying during the next 12 months in each of above capacities?
7. Do you expect to be engaged in aeronautics in the same capacity in future as at present? If not, please state intentions in full.

F. G. Donaldson Elected Director

MONTREAL.—At a meeting of the directors of the Mount Royal Assurance Company, Frederick G. Donaldson was elected a member of the board. Mr. Donaldson is general manager of the Montreal Trust Company.

Plan New Gas Plant

Plans for the erection of a gas plant in Regina, costing between $1,250,000 and $1,500,000, to serve within two years at least 5,000 consumers, were laid before the Regina City Council at a special meeting recently by representatives of the Drake-Jones Company, of Minneapolis, Minn. The project is now being considered.

SIMON'S CIGARS

All Sizes One Quality

Bring Back $7,000,000 from Foreign Call Loans

Bank Position Changes Seasonally as Crop Movement Gets Under Steam — Savings Show Small Increase

In the midst of some seasonal changes in the Canadian bank statement, as at September 30, a few rather significant figures stand out. Call loans abroad declined only $7,000,000. There had previously been large increases in this item but it was anticipated that September would see a very substantial reduction, since it was previously argued that the banks had mobilized their funds in the liquid New York call money market to prepare for the needs of the grain moving season. Despite the early movement of the present year's crop, there was merely this $7,000,000 drop which would indicate that the banks are finding foreign call loans rather profitable.

Call loans abroad have increased over $47,600,000 during the past year while call loans in Canada have been increasing $46,300,000.

The chief changes in the assets of the banks were in the transfer of funds from liquid to business accounts, current loans rising by $25,000,000.

A small increase in savings accounts is rather notable in the face of the increased demands for money for financing current agricultural sales. It probably reflects the timidity of investors with regard to the purchase of new security issues.

Increase in bank note circulation is normal at this time of the year.

The Financial Post's analysis of the bank statement follows:

BANK STATEMENT FOR MONTH OF SEPTEMBER

Immediately Available Liquid Resources

Assets

	Sept., 1928	Aug., 1928		Change	Sept., 1927		Change
	$	$		$	$		$
Specie	65,718,119	68,691,386	—	2,973,267	67,423,256	—	1,705,137
Dom. Notes	117,213,236	116,424,539	+	788,697	116,053,510	+	1,159,726
Gold Reserve	69,430,866	71,330,866	—	1,900,000	59,920,332	+	9,510,534
Foreign Banks	71,899,279	71,322,852	+	576,427	73,174,151	—	1,274,872
Foreign Curr.	20,201,934	21,669,876	—	1,467,942	21,658,576	—	1,456,642
Govt. Secs.	315,389,225	316,124,572	—	735,347	329,479,510	—	14,090,285
Call Loans Ab'd	308,126,935	315,298,423	—	7,171,488	260,484,996	+	47,641,939
	967,979,594	980,862,514	—	12,882,920	928,194,331	+	39,785,263
Loans and Securities Other Than Those of Canadian Government							
Pub. Secs.	113,570,391	123,333,000	—	9,762,609	139,467,543	—	25,897,152
Rly. Secs.	57,504,676	60,997,462	—	3,492,786	63,896,301	—	6,391,625
Can. Call Loans	246,618,734	250,397,110	—	3,778,376	200,321,285	+	46,297,449
Current Loans	1,191,855,133	1,167,367,354	+	24,487,779	1,035,880,288	+	155,974,845
Loans Ab'd	237,951,044	239,268,708	—	1,317,664	275,701,858	—	37,750,814
Prov. & Mun. Lns.	116,225,959	110,560,793	+	5,665,166	92,696,210	+	23,529,749
	1,963,725,937	1,951,924,427	+	11,801,510	1,807,963,485	+	155,762,452
Other Assets							
Non-Curr. Loans	7,783,876	7,528,353	+	285,523	9,107,697	—	1,323,821
Real Estate	6,484,028	6,595,765	—	111,737	7,856,414	—	1,372,386
Mortgages	6,808,094	6,762,910	+	45,184	6,381,802	+	426,292
Premises	73,095,381	72,992,869	+	102,512	70,885,552	+	2,209,829
Lets. of Cred.	101,621,943	101,689,766	—	67,823	77,291,227	+	24,330,716
Loans to Comp.	7,607,205	7,391,085	+	216,120	7,093,981	+	513,224
Other Assets	2,490,755	2,549,749	—	58,994	2,721,535	—	230,780
	205,891,282	205,510,497	+	380,785	181,338,208	+	24,553,074
Total	3,137,596,813	3,138,297,438	—	700,625	2,917,496,024	+	220,100,789
Note Cir. Dep.	6,099,238	6,093,271	+	5,967	5,929,888	+	169,350
Int. Bank Bal.	157,993,619	157,465,176	+	528,443	149,058,496	+	8,935,123
Gross	3,301,689,670	3,301,855,885	—	166,215	3,072,484,408	+	229,205,262
LIABILITIES TO THE PUBLIC							
Liabilities to Government and Circulation							
Circulation	193,492,520	176,025,915	+	17,466,605	171,889,550	+	21,602,970
Dom. Govt.	29,923,882	27,857,666	+	2,066,216	80,455,836	—	50,531,954
Prov. Govt.	17,462,964	18,224,044	—	761,080	21,769,680	—	4,306,716
Govt. Advances	54,630,000	61,130,000	—	6,500,000	22,750,000	+	31,880,000
Deposits by Public							
Demand Dep.	653,196,613	659,565,152	—	6,368,539	596,154,415	+	57,042,198
Savings Dep.	1,484,814,579	1,482,500,749	+	2,313,830	1,395,329,840	+	89,484,739
Total	2,138,011,192	2,142,065,901	—	4,054,709	1,991,484,255	+	146,526,937
Foreign Dep.	371,542,736	391,225,339	—	19,682,603	355,027,162	+	16,515,574
Due Banks Abroad, etc.							
U. Kingdom	14,307,219	7,352,565	+	6,954,654	6,755,952	+	7,551,267
Foreign	65,613,215	60,425,930	+	5,187,285	40,194,729	+	25,418,486
Bills Pay.	10,336,414	12,996,509	—	2,660,095	10,965,622	—	629,208
Lets. of Cred.	101,621,948	101,689,766	—	67,823	77,291,227	—	24,330,716
Other Liab.	2,093,614	2,183,553	—	89,939	2,286,116	—	192,502
Pub. Liab.	2,999,035,699	3,001,177,188	—	2,141,489	2,780,870,129	+	218,165,570
Due Bet. Banks	13,726,775	13,722,284	+	4,491	10,689,389	+	3,037,386
Liability to Shareholders							
Dividends	707,857	2,830,716	—	2,122,859	717,480	—	9,623
Reserve	133,566,700	133,566,700		....	130,942,600	+	2,624,100
Capital	122,764,660	122,764,660		....	122,665,560	+	99,100
Gross	3,269,801,691	3,274,061,548	—	4,259,857	3,045,885,158	+	223,916,533

ASBESTOS CORP. NEED NOT FEAR U.S. EXPANSION

Growing Demand Takes Up Larger Output, Says President

From Our Own Correspondent

MONTREAL.—Quebec's Asbestos industry need not fear future expansion in production from United States mines, is the view expressed by W. T. Ross, president and general manager of Asbestos Corporation of Canada, in reply to Dr. R. Y. Mattison, president of Keasbey & Mattison Company, who is attempting to show that Canada is losing ground and will continue to lose ground in the production of the better grades of asbestos.

Admitting that Canada is facing growing competition in the crude asbestos market, Mr. Ross points out that the development of new uses for the mineral is resulting from a steadily growing world demand, which is more than offsetting the growth of production from new sources.

Low Grade Output

While Canada produces about 85 to 95 per cent. of the world's asbestos requirements, most of the production is of a low grade. Hence, the Asbestos Corporation received a low price for its output.

In a sense it can be said that Canada occupies a comparatively inferior position in the industry, as South Africa surpasses the Dominion in its yield of both crude and spinning fibres—these being the highest and most expensive grades of asbestos. The state of Arizona is also getting to be known as an asbestos producer and in time will make a decided dent in the asbestos markets of the world.

Meet Own Needs

Some leaders in the asbestos industry of the United States feel that Arizona and Wyoming will in time supply the United States with all its crude and spinning fibres. The possibility of such a development is important as the chief market for Canadian asbestos is largely the United States.

The Johns-Manville Company now has about 200 men working in Arizona asbestos mines. Due to developments in the States along these lines it is said that within two years or so the future of asbestos prices will be changed materially.

As an indication of the activities in other asbestos producing fields, Sir Edmund Davis, of the General Asbestos Corporation, on July 16 last, promised the shareholders that shipments of asbestos from the corporation's South African mines for the year ending March 31, 1930, would be to the extent of £1,124,316. This is but one of the South African producers, yet the value of its shipments are at least equal to 50 per cent. of the total value of the production in Canada.

High Mineral Output

Canada has in sight a mineral production for 1928 aggregating in value about $260,000,000, if prices continue firm and the progress made during the remainder of the year does not fall short of what may reasonably be expected, according to reports received by S. H. Logan, general manager of the Canadian Bank of Commerce. This would establish a new high level, 5 per cent. above the record of 1927 and 23 per cent. above the figures of ten years ago, when prices were highly inflated.

Bank Chat

John McEachern, superintendent of the Bank of Montreal in Winnipeg, has been appointed honorary president of the young men's section of the Winnipeg Board of Trade.

J. A. Fleming of the Standard Bank has been transferred to Lucan where he will take charge of the branch of the Bank of Commerce.

F. C. Smyth, manager of the Bank of Montreal at Gore Bay, Ont., is appointed to the Toronto head office. L. M. MacMillan, formerly at Merlin, Ont., will become manager at Gore Bay.

The Royal Bank building at Appin, Ont., now in course of erection, will be ready for business about November 15.

John Elliot, manager of the Standard Bank at Belleville recently gave his 22nd annual banquet to the Belleville Cheese Board representing the cheese industry in Hastings and Prince Edward counties. The chief speaker of the event was Dr. George Christie, president of the Ontario Agricultural College. Mr. Elliot instituted this annual dinner upon his arrival in Belleville twenty-two years ago as manager of the Standard Bank and during the interval he has succeeded in bringing the bank and the cheese industry into very close co-operation. Mr. Elliot is considered an outstanding authority on the industry.

C. O. Monroe, manager of the Standard Bank at Fenelon Falls, has been transferred to Hensall, Ont.

Critics of the Bank of England have always been ignored by the bank and current proposals for reorganization, have brought forth the suggestion that the Bank of England should pay more attention to publicity. It is felt in some quarters that the bank could at least learn something from the English joint stock banks as regards publicity and that a definite range in policy along this line would assist in personal relations with the general public.

Two employees of a Toronto bank were recently prisoners in the bank building for eight hours having been locked in while working overtime. It is reported that the first words uttered when the couple were rescued were, "Let's eat."

G. B. Kidd has been appointed manager of a new branch of the Bank of Montreal which was opened at 163 Monkland Ave., Montreal, on November 1.

W. Rennie has taken up his new duties as manager of the Walkerville, Ont., branch of the Canadian Bank of Commerce. Mr. Rennie has been assistant inspector at the Toronto head office for the past five years.

The Bank of Nova Scotia has opened at Fox Valley, Sask.

H. G. Mistele, formerly manager for the Royal Bank of Canada at Waterloo, Ont., and for the past few years manager of the Main and Sherman Streets branch of the Royal Bank in Hamilton, Ont., has been appointed assistant treasurer of the Ontario Equitable Life and Accident Insurance Company of Waterloo. Mr. Mistele will take up his new duties on December 1.

G. A. Mackenzie of Stirling will succeed C. E. Parlow as manager of the Tillsonburg, Ont., branch of the Royal Bank of Canada. Mr. Parlow has been promoted to the Queen and Bathurst Streets branch in Toronto.

Two new branches of the Banque Canadienne Nationale were opened during the month of October. One branch was opened in Montreal at 390 Boulevard Cremazie and the other was opened at Val-Marie, Sask.

Three times is enough for any bank to be robbed is evidently the feeling of those in charge of the Roy State Bank at Roy, Washington, which has lost an aggregate of $10,274, through these hold ups. The next bandits who pay a visit to this bank will face a difficult task if their visit is to be a success. All marble and mahogany counters have been removed as well as the ornate brass grill work and in their place is cold armour plate steel, a quarter of an inch thick.

Outer windows have been covered with 10 gauge wire screening through which a bullet cannot penetrate and windows throughout the building are of inch thick bullet proof glass. Under the glass in the teller's cages is a deep metal tray through which pass books and currency may be shoved from inside but should a shot be fired into it the bullet would be deflected to the ceiling.

Seven burglar alarms spaced at convenient intervals behind the counters inside and a small arsenal composed of one sawed-off shotgun and three 38 calibre revolvers. Commenting on the above installation, President Rowe of the Metropolitan Casualty Insurance Co., of New York says: "Armour plate and bullet proof glass would seem to be much more sensible in this bandit-ridden age than imposing marble and bronze fixtures."

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Nov. 4, 1927	Nov. 2, 1928
Halifax	$ 3,648,318	$ 3,458,647
St. John	3,104,580	2,872,671
Moncton	918,409	1,010,863
Quebec	7,104,090	....
Montreal	192,310,456	191,432,631
Sherbrooke	907,177	761,939
Ottawa	9,063,994	9,547,001
Kingston	993,080	986,258
Peterboro	983,661	1,042,280
Toronto	167,930,221	223,766,194
Hamilton	6,990,858	7,066,972
Brantford	806,215	1,399,617
London	3,527,014	3,815,574
Sarnia	988,469	....
Kitchener	1,493,859	1,269,766
Windsor	5,731,877	6,175,660
Chatham	833,183	797,905
Western Cities	**Nov. 4, 1927**	**Nov. 2, 1928**
Winnipeg	$88,671,641	$ 91,608,150
Brandon	1,004,786	1,121,209
Moose Jaw	1,960,430	1,824,304
Saskatoon	3,004,786	3,360,319
Prince Albert	416,730	534,597
Calgary	12,488,181	15,354,641
Edmonton	6,702,949	8,078,656
Medicine Hat	556,980	644,482
Vancouver	20,330,922	24,322,244
New Westminster	896,020	955,874
Victoria	3,270,408	....
Fort William	....	1,107,036
Regina	7,818,341	8,794,122

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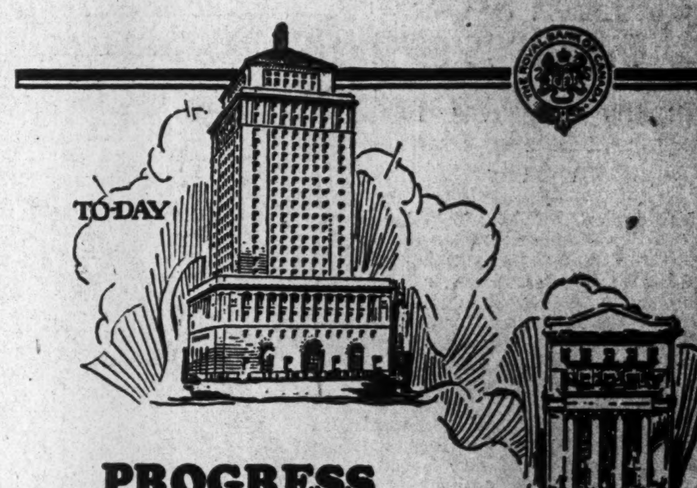

PROGRESS
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MONTREAL

Return of the Chartered Banks of the Dominion of Canada, September 29th, 1928

Liabilities

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Balance Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	48,044,708	18,974,637	15,000,000	3,711,019	164,291,944	408,467,500	50,813,232	2,398,736	1,694,393	7,598,750	492,379	14,593,412
Nova Scotia	16,268,670	1,187,149	....	399,174	37,816,547	128,068,440	34,020,664	4,456,475	29,452	2,323,380	919,975	7,624,657
Toronto	9,313,108	445,092	....	105,627	34,213,477	2,853,102	....	787,478	297,767	1,823,708	1,806,593	2,316,149
Provinciale	3,634,473	144,941	....	135,708	6,852,138	36,095,201	....	....	....	37,477	....	9,830
Commerce	30,422,756	2,787,008	11,000,000	3,295,268	135,100,388	43,991,898	44,996,907	596,693	7,756,427	24,655,986	3,973,626	21,724,178
Royal	44,871,354	3,771,583	20,000,000	5,186,839	164,216,565	12,034,439	194,573,736	1,520,209	2,541,553	25,125,247	3,083,248	17,088,412
Dominion	8,439,150	653,828	5,000,000	319,165	27,140,196	69,420,956	5,720,301	1,249,952	972,359	2,159,579	60,593	5,950,473
Standard	7,450,510	321,301	1,000,000	407,044	22,773,037	54,308,130	....	478,746	674,611	651,924	....	249,034
Nationale	13,000,744	692,743	2,000,000	1,505,891	24,035,862	93,962,944	1,417,896	3,189	38,867	506,474	....	947,757
Imperial	11,188,220	887,472	....	2,365,834	34,640,909	72,906,509	....	2,235,297	301,790	694,895	....	1,112,041
Weyburn Security	858,827	58,128	630,000	31,395	2,115,550	2,705,460	....	....	....	35,795	....	6,000
Total	193,492,520	29,923,882	54,630,000	17,462,964	653,196,613	1,484,814,579	371,542,736	13,726,775	14,307,219	65,613,215	10,336,414	101,621,943

NAME OF BANK	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	Capital subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in Cir.
	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	1,211,160	27,315	30,916,700	29,916,700	838,152,590	31,175,000	29,916,700	12	2,932,184	30,926,289	53,580,151	48,044,708
Nova Scotia	109,805	396,911	20,000,000	10,000,000	263,621,305	15,000,000	10,000,000	16	1,195,069	9,136,833	7,262,573	16,268,670
Toronto	243,252	4,309	7,000,000	5,000,000	126,209,667	10,000,000	5,000,000	12	3,628,318	380,500	5,353,000	9,313,108
Provinciale	19,803	7,261	1,500,000	4,000,000	52,436,836	5,000,000	4,000,000	9	....	225,956	673,509	3,765,133
Commerce	....	24,346	20,000,000	20,000,000	570,325,487	25,000,000	20,000,000	12	7,998,901	17,475,000	19,036,000	30,422,756
Royal	50,000	53,400	30,000,000	30,000,000	884,116,591	10,000,000	30,000,000	12	2,377,763	19,504,980	10,655,552	44,871,354
Dominion	416,764	182,671	8,000,000	6,000,000	141,685,993	10,000,000	6,000,000	12	1,667,924	1,987,000	4,022,000	8,439,150
Standard	42,775	2,039	2,900,000	4,823,400	96,082,556	5,000,000	4,823,400	12	122,917	393,318	2,848,356	7,450,510
Nationale	....	7,717	5,500,000	5,500,000	149,120,050	10,000,000	5,500,000	10	187,200	896,680	2,053,356	13,000,744
Imperial	....	1,656	7,500,000	7,000,000	140,834,626	10,000,000	7,000,000	12	71,900	973,270	4,850,910	11,188,220
Weyburn Security	....	232	250,000	524,560	7,215,950	1,000,000	655,700	7	12,976	23,313	40,873	858,827
Total	2,093,559	707,857	133,566,700	122,764,660	3,269,801,691	162,175,000	122,895,800	.....	20,195,152	81,923,139	110,376,280	193,623,200

Assets

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	30,500,333	52,168,138	4,724,820	933,009	37,547,787	52,550	1,400,095	10,913,064	72,120,978	25,325,924	3,682,701	37,066,750	146,094,925
Nova Scotia	9,159,333	7,860,168	1,278,635	1,467,898	11,088,009	1,355	244,484	3,559,253	27,091,839	11,864,881	9,984,694	35,767,759	13,703,919
Toronto	375,083	6,123,385	718,050	145,324	7,950,265	....	204,782	1,886,187	11,748,531	3,221,928	4,363,026	9,068,833	3,500,000
Provinciale	223,145	484,980	666,700	133,048	2,261,543	2,222,596	26,427	230,127	6,143,871	2,121,717	3,161,364	11,446,084	....
Commerce	9,827,937	17,627,317	2,674,025	1,264,552	22,826,022	1,347	598,845	16,401,227	46,304,781	18,805,684	10,160,949	42,936,023	60,517,717
Royal†	11,373,079	16,077,676	4,236,614	15,208,308	30,427,763	....	1,293,589	30,719,964	87,616,114	26,257,112	17,721,427	61,020,792	69,940,878
Dominion	1,935,415	5,525,143	1,064,570	272,575	6,698,871	....	123,867	1,520,614	14,935,189	3,877,108	2,211,975	12,516,359	7,369,496
Standard	395,194	3,106,043	661,537	102,190	4,173,217	....	41,102	698,752	9,858,410	3,356,779	3,439,367	12,669,734	....
Nationale°	948,204	2,263,637	1,528,255	281,032	4,760,728	294,285	57,123	843,262	22,756,453	12,211,567	2,369,391	13,159,869	....
Imperial	958,874	5,537,387	1,081,587	392,094	7,705,616	620,448	63,215	1,016,380	16,023,193	6,293,322	101,536	10,966,531	7,000,000
Weyburn Security	21,522	39,362	36,809	1,298	65,612	622,883	....	56,920	789,866	234,369	308,246	....	....
Total	65,718,119	117,213,236	18,672,122	20,201,934	135,506,033	3,815,464	4,053,529	67,845,750	315,389,225	113,570,391	57,504,676	246,618,734	308,126,935

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit or note circulation	In central gold reserves**	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	290,536,772	34,175,984	18,810,680	23,170,585	2,026,476	528,927	1,194,406	11,550,000	14,593,412	1,407,093	21,000,000	3,300,229	447,140	845,273,389
Nova Scotia	84,427,214	19,670,487	1,444,418	5,401,021	155,027	19,471	213,513	6,896,862	7,624,657	475,880	6,000,000	....	95,431	265,496,820
Toronto	66,270,318	....	....	2,867,303	20,651	....	75,762	3,282,706	2,316,149	272,413	3,880,866	....	....	128,291,608
Provinciale	18,484,793	....	....	1,843,627	137,890	386,691	479,955	2,107,112	9,830	204,400	....	....	195,727	52,971,695
Commerce	211,046,565	31,824,977	9,374,106	20,485,629	2,150,918	2,127,976	1,315,756	12,371,298	21,724,178	1,000,000	12,000,000	2,285,974	298,760	577,952,574
Royal†	270,738,673	150,678,684	3,438,293	8,886,700	2,270,335	1,707,364	1,459,794	15,341,772	17,088,412	1,510,000	12,400,000	2,021,002	449,294	889,883,648
Dominion	66,770,412	1,591,195	....	1,482,600	226,147	9,348	33,462	5,755,674	5,950,473	312,325	1,400,000	....	208,986	142,191,813
Standard	48,521,966	....	....	3,225,600	298,808	301,183	144,044	3,857,481	249,034	250,000	1,500,000	....	120,617	96,971,092
Nationale°	66,319,090	5,217	528,538	7,037,859	183,211	915,818	1,092,297	5,387,350	947,757	287,568	7,000,000	....	293,551	151,472,073
Imperial	64,874,665	....	508,637	7,521,759	286,555	310,465	592,901	6,223,170	1,112,041	350,350	4,000,000	....	360,245	143,901,382
Weyburn Security	3,864,665	4,500	....	198,604	27,858	176,785	206,204	321,956	6,000	29,209	250,000	....	20,901	7,283,576
Total	1,191,855,133	237,951,044	34,104,672	82,121,287	7,783,876	6,484,028	6,808,094	73,095,381	101,621,943	6,099,238	69,430,866	7,607,205	2,490,652	3,301,689,670

**Of this deposit $20,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

CAN. BAKERIES COMMON STOCK PROFIT IS $3.30

Company Improves Position; Adds Two Plants in Year

Earnings on the Class "A" shares of Canadian Bakeries Limited are reported at $3.30 a share in 1928, compared with $2.94 a share in 1927, according to the report of the company for the year ended August 31, 1928. During the year, there was a considerable expansion in the facilities of the company, bakeries being purchased at Swift Current and Prince Albert, Sask., and at August 31, 1928, the company had just completed construction of new bakeries at Edmonton and Saskatoon.

Property account increased, during the twelve months, from $2,087,229 to $2,453,537, with a decline in working capital from $461,367 to $276,816. Reserve for sinking funds increased from $42,500 to $65,000 and, as a result of a somewhat larger depreciation appropriation, the reserve on this account was increased from $303,010 to $453,649.

Operating profits after providing for depreciation, were maintained at $282,414 in 1928 as compared with $283,667 in 1927, and the surplus account increased from $70,108 to $113,612.

The profit and loss account for the three years are as follows:

	1928	1927	1926
Profit	$282,414	$283,667	$281,927
Less:			
Bond Int.	$ 50,537	$ 51,285	$ 52,000
Sinking Fund	12,948	21,921	21,830
Taxes	27,000	34,000	36,000
Pfd. Redemp.	10,000	.....	.....
Net Profit	$181,929	$176,461	.....
1st Pfd. Div.	68,425	69,125	69,825
2nd Pfd. Div.	70,000	70,000	70,000
Bal. for year	$ 43,503	$ 37,336	$ 32,772
Prev. Bal.	70,108	32,772	.....
Forward	$113,612	$ 70,108	$ 32,772

Nation's Commerce

Activities of Canadian Chambers of Commerce from Coast to Coast

From Our Own Correspondent

MONTREAL. — C. H. Carlisle, president of the Goodyear Tire and Rubber Company, C. W. Rowley, assistant general manager of the Canadian Bank of Commerce, and E. A. McNutt, treasurer of the Sun Life Assurance Company, have accepted the invitation of the Canadian Chamber of Commerce to become members of the Business Committee of the Chamber and therefore members of the National Executive.

* * *

Wendell McL. Clarke, secretary of the Chamber, is addressing the Woodstock Board of Trade on November 9. He has also visited Ottawa and Toronto during the past week on business connected with the activities of the Chamber.

* * *

W. M. Birks, president, is returning from Europe in time to preside at the conference to be held in Toronto November 27.

* * *

The itinerary of the Trans-Canada trip to be held by the members of the Canadian Chamber next fall will be published in the forthcoming

New national councillors of Canadian Chamber of Commerce: upper left C. H. Carlisle; upper right, C. W. Rowley; lower left, E. A McNutt.

number of the Commerce of the Nation, official bulletin of the Chamber. Five days will be devoted to a survey of the Peace River district.

* * *

The invitation extended to the permanent heads of the provincial departments of agriculture to attend the conference, arranged by the Chamber to be held at the Royal Winter Fair in Toronto this fall, has been accepted by each of the deputy ministers. Representing the Federal government will be the assistant deputy minister of agriculture in the absence of Dr. Grisdale. The conference has a wide significance, since it represents a real and practical effort to bring about a closer working relationship between industry and agriculture. An extremely interesting agenda paper has been drawn up and many valuable ideas will be submitted.

* * *

The annual meeting of the Maritime Board of Trade will be held at Halifax on November 21. It will probably be the most largely attended and most important meeting in the history of the Maritime Board. Throughout the three provinces a very definite interest in the gathering is evident.

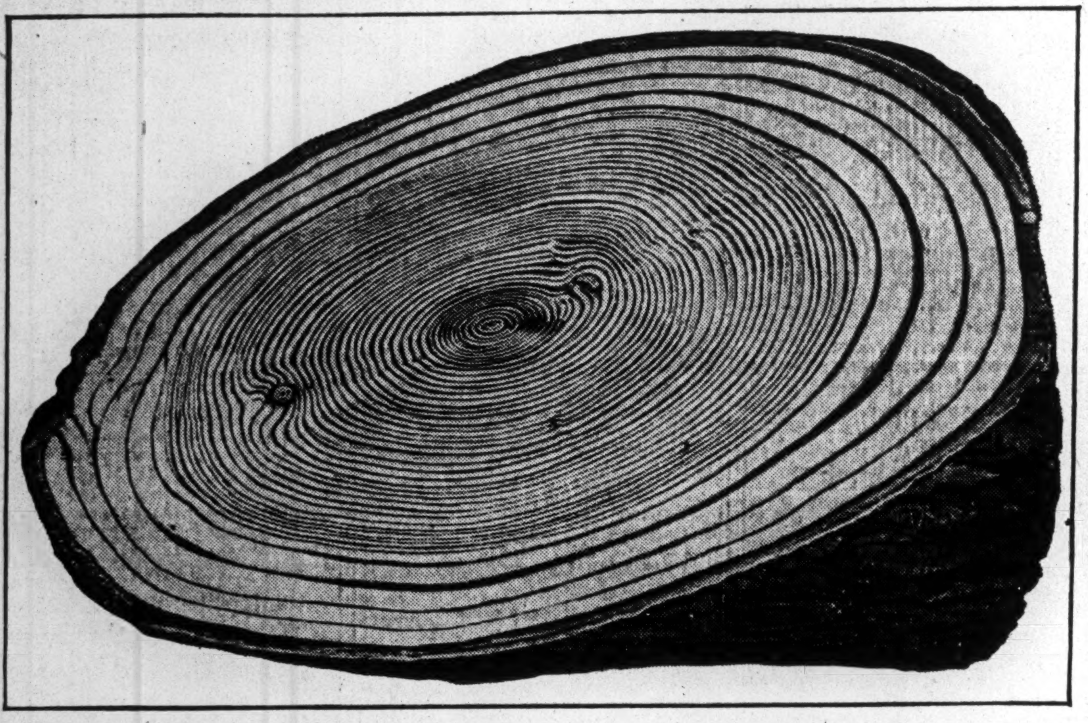
* * *

The agenda of the meeting includes Maritime constitutional rights and the economic disabilities artificially imposed on the Maritimes. In addition, a report will be submitted covering the Transportation Commission's activities since its appointment last April. The Commission is supported financially by the three provincial governments; it was organized to look into and to endeavor to adjust some of the freight rate inequalities which exist in the Maritime Provinces.

* * *

The Saint John Board of Trade is considering the organization of a junior Board of Trade possessing its own autonomy, but operating under the aegis of the senior body. The request for such an organization emanated from a large group of the younger business men of the city of Saint John. The council of the Saint John Board looks upon such a movement with favor, for the younger business men constitute a potential force which, under organized direction, could readily be transformed into an active and most valuable force acting in the best interests of the business community. A junior board, therefore, will materialize in due course.

Prove Swamps Will Grow Good Pulpwood



With knowledge of the extensive and favorable work done in other countries and having considerable areas of suppressed spruce in swamp or muskeg types on their limits, H. B. Schanche, manager of the woods department of the Abitibi Power & Paper Company, Iroquois Falls, Ontario, decided to carry on certain experiments to ascertain what the results would be of draining swamp areas in that district, and ditches were dug in 1922, draining certain areas, on which careful data has been kept and with most remarkable results.

The accompanying cut shows the results obtained. The small lines represent a growth of approximately forty years, while the wider lines at the outer edge show the very large accelerated growth during the past six years. In the first year after drainage, little difference in rate of growth was noted. In the second year the rate of growth in diameter increased up to 200 per cent. In the following years and up to the present or sixth year, the rate of growth has annually shown an increase of from 300 per cent. to 500 per cent.

The experiment, which has been carried on exclusively by the Abitibi Company, is considered a pronounced success, and the company is about to launch a similar research project on a much broader scale, where complete and detailed data can be collected on the thousand and one phases which will present themselves in the course of such a study.

It would seem from such very general observations that have been made to date that this project may possibly in due course show definitely the economy of adapting this form of soil treatment to vast areas in the northern parts of Ontario and Quebec, which are now either totally unproductive as muskegs or at best support only a more or less stunted and exceedingly slow-growing stand of timber, much of which cannot in the ordinary course of events become merchantable for an indefinite period.

CAN. CONVERTERS SHOULD BENEFIT BY WESTERN CROP

Increased Buying Power is Expected to Reflect in Sales

From Our Own Correspondent

MONTREAL.—Crop conditions and the anticipated increase in buying power in the West are expected to be reflected in the earnings of Canadian Converters Company at the end of their fiscal year in April next. The company has a wide distribution of its products throughout Canada, and Western prosperity plays an important part in the consumption of the company's output.

Diversification in the source of its orders is a factor which makes for stability in the company's earning power; that is, its sales are spread over such a number of accounts that weakness in one will not affect total sales to any great extent.

Make Wide Range

Canadian Converters manufacture on a large scale, shirts, collars, overalls, and all white wear. Materials for these goods are purchased from the textile companies in large quantities, and are converted, as the name implies, into a wide range of lines. As the company deals exclusively for the most part with the wholesale trade, its name is probably less known to the consumer public than would be supposed from the extensive sale of its products. In nine cases out of ten its output is sold to the consumer bearing the name of the wholesaler, and the identity of Converters is lost.

West Indies Trade

A certain amount of business is done in the West Indies and Newfoundland, but it is understood that conditions in these two markets make for slow progress. In the West Indies the difference in seasons makes considerable difficulty in marketing any line designed for seasonal wear, and in Newfoundland, equal tariff rates with England and the United States make competition very keen. This trouble is not encountered in the West Indies as Converters gets the benefit of the preferential tariff.

Since the retirement of the funded debt two years ago, the common stock, of which there are 17,335 shares of par $100 outstanding, represents the entire ownership of the property. A dividend of 7 per cent. has been paid on these shares since 1920. The stock is closely held, a few transactions being made recently at 103.

Oppose Avon Power's Capitalization Plan

From Our Own Correspondent

MONTREAL.—The preferred shareholders of the Avon River Power Company have opposed the company's request before the N.S. Public Utility Board for authorization to issue further bonds covering the company's present expansion program.

The representatives of the preferred shareholders at the meeting of the board contended that the additional issue of bonds would increase the company's funded debt to a point where it would be out of proportion to the junior securities outstanding. As yet, the board has not made any decision.

Ontario Bakeries May Buy Three Additional Plants

Ontario Bakeries is reported to be negotiating for the purchase of plants in Sault Ste. Marie, Hamilton and Toronto.

Ontario Bakeries has been operating under new management for several months and the results have been satisfactory, it is reported. The company's bond interest has been paid regularly and the outlook is believed to be good.

PATRICIA DENT CO.

Patricia Dent Mines will take over the holdings of Patricia Lake Shore syndicate, near Jackson Manion.

Capital Bagging Ore

Capital Rouyn is reported to be bagging high grade ore from its surface find in Duprat Twp., Quebec.

Famous Players Profits Approximate—$5 Share

From Our Own Correspondent

MONTREAL.—The financial statement of Famous Players Canadian Corporation will be made public within the next two weeks. It is expected that the report will show earnings of $5 a share on the 320,000 shares of no par common at present outstanding.

During the five months ended January 28, 1928, the company had gross earnings of $3,356,694 and after the payment of operating expenses, depreciation and proportion of deferred charges, had left net earnings of $672,301. This compares with $1,169,493 and $777,049 for the full fiscal years ended August 27 and 28, 1927 and 1926, respectively.

If the company has been able to earn $5 a share on the common, the net earnings for 1927-28 must have been around the $1,500,000 mark. This is indeed an excellent showing in comparison with former years.

Revamped Capital

It will be recalled that early in the year, the company undertook to revamp its capitalization. To this end the outstanding 6½ per cent. bonds and the first and second preferred stock issues were redeemed. The common stock, then of $100 par value, was split into four no par value shares. Each second preferred shareholder received two new common shares for every share held. This wiped out the $50 dividend arrears.

The new financing undertaken consisted of a $5,000,000 issue of 6 per cent. first mortgage bonds, $3,000,000 6½ per cent. gold debentures. The preferred stock was eliminated and 320,000 no par value common shares issued.

The debenture holders have the privilege of subscribing for common stock on a favorable basis for a limited period.

While there is a large number of common shares outstanding, interests associated with the company for some years past, have held on to their stock, and the volume of trading on the Montreal Stock Exchange in this stock is limited. Current quotations for the common are around 33-34, but little is offered.

FIRE PREMIUMS DECREASED IN 1927, LOSS RATIO LOWER

Supt. of Insurance Reports on Business of Fire Companies

During the year 1927 there was a decrease in the business of fire insurance as compared with that of 1926, the recently issued report of the Superintendent of Insurance of the Dominion of Canada shows. Fire premiums in 1927 were $53,893,199 and in 1926, $55,026,368, a decrease of $1,133,169. Losses were less by $5,120,481, the 1927 total being $21,944,984 as against $27,065,465 in 1926. The loss ratio to premiums written for 1927 is, therefore, 40.71 per cent. as compared with 49.19 per cent. in 1926 and 53.00 per cent. for the last five years.

During 1927 the business of fire insurance was transacted in Canada by 203 companies. Of these 44 were Canadian, 64 British and 95 foreign. Since the end of 1927, to June 30, 1928, 9 additional companies have been granted license for fire insurance.

The report shows that the British companies, although they transacted a smaller volume of business than in 1926, operated at a lower rate of premium, a lower rate of expense, and a lower rate of fire losses and adjustment expenses. Fire premiums written were $24,618,840, a decrease of $629,864 from the previous year; fire losses and adjustment expenses were $10,095,054, being $1,786,735 less than for 1926; while the general expenses and taxes amounted to $10,284,186 being $150,895 greater than in 1926. The result of the year's operations thus showed a balance of $4,239,600 in favor of the companies—an amount that has been exceeded only by two other years, 1919 and 1920. This balance in spite of the smaller number of premiums was practically double the 1926 favorable balance of $2,144,067. In percentages the 1927 loss rate was 41.01 per cent. as compared with 47.06 in 1926. Rate of premium was down from $8.98 in 1926 to $8.59 in 1927.

The total business of the British fire companies from 1875 to 1927 shows a balance of $49,068,704 in favor of the companies. Losses for that period amounted to $288,537,166; expenses $171,451,972, while premiums totaled $509,057,842 being greater by the amount stated above.

Foreign Companies Had Higher Expense Rate

The foreign fire companies did not make as favorable a showing as the British companies, the report brings out. In common with the latter companies they also transacted a smaller volume of business at a lower premium rate and a lower rate of fire loss and equipment expense, but they differed by having a higher rate of expense than the British companies.

The total fire premiums of the foreign companies were $19,491,456, a decrease of $458,809; fire losses and adjustments were $7,910,490, being $2,576,982 less than 1926 and the general expenses and taxes $7,507,562 being $2,584 greater than for 1926. Balance in favor of the companies for year amounted therefore to $4,073,404 well in excess of the 1926 figure of $1,957,815 and, in fact, the best year in the history of the foreign companies. This places the loss rate for every $100 of premiums written at 40.58 per cent. and the expense rate 38.52. These rates compare with 52.57 in 1926 for losses and 37.62 for expenses, the latter being more favorable than in 1927.

Over the period from 1875 to 1927 the total business of these companies is shown by the report as: losses $150,190,405, general expense and taxes $92,936,011; premiums $272,848,389; leaving a balance in favor of the companies of $29,721,973.

In considering the Canadian companies the report takes into account their whole fire business in Canada and elsewhere, as well as their marine business and business in other branches, as a separation of expenses has not been made. During the year 1927 fire premiums received or written in Canada by Canadian companies amounted to $4,285,701 and losses to $1,769,810 giving a rate of 41.30. Premiums received or written in other countries amounted to $5,749,737 and losses of $2,895,967. Rate—50.37 per cent. The amount of the premiums received in other countries exceeded the 1926 figure, all other totals were below 1926. For the period 1878 to 1927 premiums received in Canada amounted to $98,849,365 and losses $55,281,221. Premiums received in other countries totaled $152,704,521 and losses $94,410,284. The rates were 55.92 for Canada and 61.83 elsewhere. The report points out that over the whole period as in 1927 itself the Canadian fire business shows a more favorable loss rate than the business transacted in other countries. It is also made apparent by the report that the Canadian companies carry on a larger business in other countries than in Canada.

Policyholders' Surplus Gains

Another table of information with regard to Canadian fire insurance companies gives the gains and losses in surplus to policyholders during 1927 for each of the 44 Canadian companies. This shows that 31 companies had an underwriting profit—that is an excess of premiums earned over losses and expenses incurred—which amounted to $1,081,002, and 13 an underwriting loss totaling $722,555. The total net gain in surplus was $3,913,326 for all the companies combined. Of this amount, however, there was received from shareholders during the year $1,319,756 as additional capital and $101,303 as premium on capital. Thus the increase in surplus from sources other than shareholders amounted to $2,492,267. This compares favorably with the 1926 figures which showed a decrease in surplus of $34,349.

STANFORD PROFIT HIGHER NEXT YEAR

Two Months' Result, New Stores Lead to Prediction

On the basis of September and October figures, and estimating probable earnings from new stores recently opened, Stanford's, Ltd., Montreal food chain, will earn not less than $100,000 in the fiscal year ending August 31, 1929. This will be $3.25 per share on the 20,000 shares of no-par common stock, after providing for preferred dividend of $35,000.

Net profits in September were $11,000, it is learned authoritatively, and October report will be better, it is said. The company operated six stores in the last fiscal year. Two additional stores have been opened in the last two months and a ninth store will be in operation by the end of next week.

Stanford's, Ltd., showed net profits of $74,406 for the fiscal year ended August 31, which is the equivalent of $1.97 per share on the common stock after deducting preferred dividend. In the previous year the company spent considerable sums in expansion, without adding to capital charges.

ONTARIO DEMANDS LOAN CO. LICENSE

Province Takes View New Companies Come Under Act

Loan companies reported to be operating throughout the West, and which have recently come under review of the Dominion Department of Insurance will not enter the Ontario field without registering under the Ontario Loan and Trust Corporations Act, in the opinion of the officials at the Parliament Buildings in Toronto. The Ontario Act thoroughly covers the operation of such companies, and in the past has been an effective barrier to doubtful companies from the United States. No prosecutions have been necessary within recent years.

As reported in the last issue of The Post, the point under discussion is the exact status of several companies operating from Manitoba to British Columbia. These companies sell certificates on the instalment plan, which mature over a period of years to give a return of 5½ to 6 per cent. The certificates are secured by mortgages which would therefore appear to be held in trust for holders of certificates. If these companies are doing business similar to trust and loan companies, it is felt that they should be chartered and brought under government supervision.

Loan and trust companies cannot operate in Ontario unless registered under the Loan and Trust Corporations Act or hold a license in mortmain. The Ontario act particularly aims at mortgage loan companies. As regards the companies with a Dominion charter, however, the federal authorities deny the right of the provinces to regulate or supervise their business or place any effective limitation on their powers. Such companies are directly responsible to Ottawa.

Legislation in the West regarding trust and loan companies is not as effective as that in the East. British Columbia has recently passed a Loan and Savings Corporation Act, but Saskatchewan has no legislation, although such legislation is contemplated. In Manitoba the attorney-general is given power to investigate all companies, but it is understood that there is no specific legislation on the subject either in Manitoba or Alberta.

Longueuil Receives Permit to Sell Debentures Locally

From Our Own Correspondent

MONTREAL.—Longueuil, P.Q., has decided to sell its bonds locally, and the city council has given power to the secretary-treasurer to issue $50,000 worth. Permission to take this course has been received from the Deputy Minister of Municipal Affairs. In the past Longueuil has called for tenders for the sale of its bonds en bloc.

Dividends Declared

	Rate	Date	Record
Pressed Metals, pfd	1¾%	Jan. 1, '29	Dec. 12
Durant Motors	10c.	Dec. 31	Nov. 15
Penmans, c.	$1	Nov. 15	Nov. 5
Inter. Paper, c.	60c.	Nov. 15	Nov. 1
So. Can. Power, c.	$1	Nov. 15	Oct. 31
For. Pr. Secs., pfd.	1½%	Nov. 15	Oct. 31
Bk. of Toronto	3+1%	Dec. 1	Nov. 15
Brazilian Tr., c.	44c	Dec. 1	Oct. 31
Can. Converters	1¾%	Nov. 15	Oct. 31
Bk. of Commerce	3+1%	Dec. 1	Nov. 15
Royal Bank	3+2%	Dec. 1	Oct. 31
East. Theatres, c.	50c	Dec. 1	Oct. 31
Para. Osh. Theat. pfd.	1¾%	Nov. 15	Oct. 31
Massey-Harris, pfd.	1¾%	Nov. 15	Oct. 31
Can. Oil, c.	25c.	Nov. 15	Nov. 1
Do., pref.	2%	Jan. 1	Dec. 20
Ont. Steel, c.	40c.	Nov. 15	Oct. 31
Do., pref.	1¾%	Nov. 15	Oct. 31
Lake of Woods, c.	80c.	Dec. 1	Nov. 17
Do., pref.	1¾%	Dec. 1	Nov. 17
McIntyre Mines,	5%	Dec. 1	Nov. 1
Bk. of Montreal	3+2%	Dec. 1	Oct. 31
Can. Fairbanks, pfd.	†6%	Dec. 15	Nov. 30
Inter. Power, c.	$1	Dec. 15	Dec. 1
Stand. Pav.	37½+37½c.	Nov. 15	Oct. 31
Wayagamack	75c.	Dec. 1	Nov. 15
H. Smith Paper, pfd.	1½%	Nov. 30	Nov. 20
Dom. Bridge	65+20c.	Nov. 15	Oct. 31
Nat. Brick, pfd.	1½%	Nov. 15	Oct. 31
Assoc. Qual. Canners	37½c.q	Dec. 1	Nov. 15
Belding Cort., pfd.	1¾%	Dec. 15	Nov. 30
Cosmos Imp., pfd.	1¾%	Nov. 15	Oct. 31
Loblaw, com.	50c.	Dec. 1	Nov. 17
Do., pref.	1¾%	Dec. 1	Nov. 17
L. Secord, com.	50c.	Dec. 1	Nov. 15
Windsor Hotel, pfd.	1⅝%	Dec. 1	Nov. 15
Eng. Electric, "A"	$1.50	Jan. 15	Dec. 31
Cons. Sand, pref.	$1.75	Nov. 15	Nov. 8
Hinde & Dauche, c.	25c.	Jan. 2	Dec. 15
Bk. Can. Nationale	2½%	Dec. 1	Nov. 15
A. W. Chase, pfd.	2%	Nov. 10	Oct. 31
East Koot. Pr., pfd.	1¾%	Dec. 15	Nov. 30
Provincial Bank	2¼%	Dec. 1	Nov. 15
Simon & Sons, pfd.	$1.75	Dec. 1	Nov. 20

†—On arrears.

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as of November 1st, 1928

J. G. Greenshields — Richard O. Johnson

Russell D. Bell — Raymond Allan

Joseph H. Copeman — Barry German

Greenshields & Co

DOME DOING WELL

Dome Mines has been keeping ore reserves well ahead of the mill and the company will close the year with the three years ore untouched. October output amounted to $332,519.

Woodbine Position Uncertain

It is difficult to tell whether Woodbine property, Portland Canal, is a mine or not. At a recent meeting, the old engineer stood by his guns that the property had 100,000 tons of $10 ore, while the new engineer disputed this and said values were very erratic. The company owes $200,000 on property account, and has $90,000 cash and 1,300,000 treasury shares on hand.

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LAKE SUPERIOR COMMON SCORES HEAVY ADVANCE

American Investors Only Beginning to See Change in Position

From Our Own Correspondent

MONTREAL. — Apparently the American financial community is just waking up to the financial strength of this country. An example is Lake Superior Corporation, the common stock of which is listed in both Philadelphia and on the New York curb.

When control was vested in the hands of Americans, very little headway was being made and the common sold down to around $1 a share. About a year or so ago, Canadian interests became definitely associated with the organization and at that time it was reported that these interests had purchased about 200,000 shares of the outstanding common, out of a total of 400,000, or in other words, that control of the company passed into their hands. Robert Dodd, a well-known Canadian financier, became president and the majority of the board were Canadians.

New Blood Helps

Immediately the new blood was injected into the enterprise, conditions showed an improvement. The change in control eliminated friction between Lake Superior and Algoma Steel, permitting plans for complete rehabilitation of the matter. The net profits for the year ended June 30th, 1928, amounted to $5,031, this comparing with a deficit of $205,222 for the same period of 1927. From present indications, earnings for the current fiscal year will show another appreciable improvement and the company seems to be on the high tide of prosperity.

The properties of Lake Superior Corporation, both in plan and operation, are basically sound though the last twenty years has almost proved too much for them. By and large the company is not yet out of the woods, but there is light ahead, and five years from now its troubles should be well behind it.

Common Sets Mark

In touching a new high mark of 18½ for this year, the common stock has shown an appreciation of some 16 points since the beginning of the year. In 1920 the stock sold around 22 but has never since aspired to such heights till the present time.

Prospects of the company seem to justify the upward swing of the stock. Algoma Steel, the company's chief subsidiary is operating its plants at capacity. Rolling mills, and other mills are working full time with plenty of business in sight. Earnings to date are reported to be well in excess of the same period last year, and a profitable year is looked for by the management.

Bonds Up in Value

Lake Superior bonds have shown appreciations similar to that of the common stock.

The first mortgage and collateral trust bonds are now selling around 80 from a low of 35, and Algoma Steel Corporations' first refunding sinking fund bonds have sold from a low of 29 to as high as 70 to-day. Net earnings of the latter corporation were $1,854,084 in the last fiscal year, and earnings of $3,000,000 have been predicted for the coming year ending June 30.

Windsor Hotel Earnings Well Ahead Last Year

From Our Own Correspondent

MONTREAL.—Based on nine months figures to September 30, 1928, it is anticipated that operating profits of Windsor Hotel, Ltd., this year will be about $100,000 higher than the average for the two previous years.

First mortgage bond interest for the nine months' period was earned 4.57 times and refunding mortgage bond interest 8.72 times. After deducting interest, depreciation and provision for income tax, the 6½ per cent. preferred dividend was earned 2.39 times and left net earnings available for common dividends of slightly better than $3 per share on the 50,000 shares of no par value common.

Net working capital as at September 30 (including $258,000 cash) amounted to $510,000, which is an improvement of more than $200,000 over the figure shown by the present company on organization a year ago. Ratio of current assets to current liabilities is approximately 3.7 to 1, as against 2.6 to 1 a year ago.

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Investment suggestions for the

Month of November

International Power & Paper Company of Newfoundland, Ltd., First Mortgage 5% Bonds, due 1968, at 100, yield 5.00.

Province of Buenos Aires Government Refunding External Sinking Fund Gold 6% Bonds, due 1961, at 95.13, yield 6.35.

Gatineau Power Co., First Mortgage 5% Bonds, due 1956, at 97.25, yield 5.18.

Gatineau Power Co., Series "B" 6% Debs., due 1941, at 101, yield 5.88.

Montreal Dry Docks, Limited, 1st M'tge (guaranteed by Canadian Vickers, Ltd.), 6% Bonds, due 1948, at 99, yield 6.09.

Full particulars on request.

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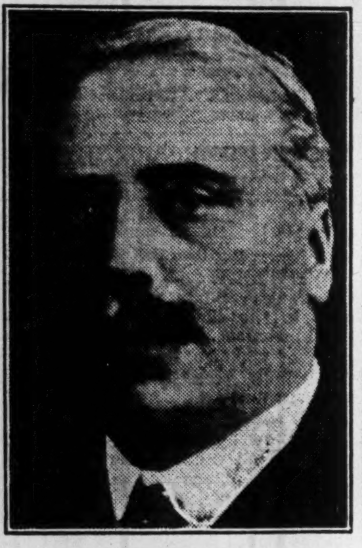
High Commissioner



SIR JOHN BENNETT, formerly Colonial Secretary of Newfoundland, recently appointed High Commissioner in London.

SHERBROOKE TRUST INCREASES PROFITS

Reserve Now is $130,000 on Capital of $300,000

Sherbrooke Trust Co. had profits of $34,148 in the year ended September 30, 1928, compared with $32,402 in 1927 and $29,986 in 1926. The company paid $16,987 in dividends, added $10,000 to reserve and carried $7,161 to profit and loss. The additional 500 shares of capital stock issued during the year were all taken up and the premium, $5,000, was also added to reserve, which now totals $130,000, compared with paid-up capital of $300,000, on which 6 per cent. is paid.

Debentures and time deposits grew in the year from $223,485 to $284,746. Deposits increased from $765,432 to $937,888. Estates under administration grew from $1,758,369 to $2,020,669. Mortgage investments increased from $1,152,940 to $1,293,643.

Following is the comparative profit and loss statement for the last three years:

Distribution of Earnings
Years end. Sept. 30.

	1928 $	1927 $	1926 $
Earnings	98,625	88,623	80,213
Interest	43,981	37,428	32,003
Expenses	20,163	17,576	16,763
Income tax	2,317	1,217	1,461
	66,461	56,221	50,227
Net profits	32,164	32,402	29,986
Other profits	1,984	.....	.....
	34,148	32,402	29,986
Distribution:—			
Dividends	16,987	15,000	15,000
Reserve	10,000	15,000	15,000
Cont. reserve	.....	4,811	.....
Balance	7,161	†2,409	†14
Prev. balance	3,576	5,986	6,000
P. & L. bal.	10,737	3,577	5,986

†—Deficit.

Expect Harvesters to Stay

With harvesting operations completed in the west and with 5,000 British harvesters still remaining in Canada, it is probable that the majority will become permanently established, Department of Immigration officials state. Reports from steamship companies to the department indicate that approximately 3,500 have returned to the British Isles.

Gilt Edges or 22 Karat?

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REGENT KNITTING WILL ESTABLISH OWN POWER UNIT

Will Effect Large Saving; Current Earnings Increasing

From Our Own Correspondent

MONTREAL.—Work will shortly be commenced by the Regent Knitting Mills Limited on the development of its own water power at St. Jerome on the North River. This is in line with the company's policy of reducing expenses at its new St. Jerome plant.

When the project is completed the company will be independent of any outside source of its power supply. The expenditure involved is estimated to be in the neighborhood of $65,000 and the saving in overhead charges is expected to exceed $20,000 annually.

Added to the anticipated reduction of $50,000, resulting from removal into the new plant, this will make a total of $70,000 to be applied to earnings, or $1 a share on the 65,000 shares of common stock outstanding.

Current Sales Heavy

From official circles it is learned that the Regent Knitting Mills is experiencing a record year from the standpoint of sales and earnings. The introduction of several new lines during the spring and summer seasons has added materially to the gross turnover. Net shipments to November 1 were close to $100,000 over 1927 and indications are very encouraging.

The three biggest months of the year, as regards sales, are still to come, and a further steady increase is looked for. Profits have also shown a corresponding gain and at the present date, earnings available against the common stock are expected to amount to well in excess of $3 a share.

Supertest Petroleum Shows Good Progress

Substantial progress of Supertest Petroleum for the year to date is reported by the directors of the company, who also anticipate a record year for the company when full figures are available at the end of the fiscal period, December 31. Stock of the company, which was split on a three-for-one basis last Spring, has earned dividend equal to that paid on the old common stock and during the first six months of operation following the stock split and extra has also been declared.

During the current year the company has opened numerous additional wholesale and retail outlets and a division has been created in the Windsor, Ont., district. The Toronto territory is also being opened up by the new warehouse facilities and additional service stations. Production from the new units has been most satisfactory and the old units have continued to show increases over past years. In the past year a tank ship has been built for the company and has been put in operation on the Eastern waterways.

G. A. Stimson in Quebec

MONTREAL.—G. A. Stimson & Co., a Toronto investment house, has formed a Quebec subsidiary to be known as G. A. Stimson and Co. (Quebec), Ltd., with headquarters in Montreal. Notice to this effect is contained in the current issue of the Quebec Official Gazette.

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Assets under Administration exceed
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518R

RUBBER INDUSTRY RECORDS GROWTH

Value of Output Higher by $4,905,000 in 1927

From Our Own Correspondent

MONTREAL.—As was to be expected from the financial reports of the operating companies the rubber industry in Canada shows a general all round improvement last year.

According to a report prepared by the Bureau of Statistics the gross value of production for the entire industry amounted to $91,413,000, an increase of $4,905,000 or 5.67 per cent. over the preceding year.

Of the three main classes of products, rubber tires accounted for $15,586,000 of the total or 55.3 per cent.; rubber footwear for $27,628,612 or 30.2 per cent.; and other rubber goods for $13,198,000 or 14.5 per cent. Automobile tire production increased over the preceding year by $2,978,000 or 6.35 per cent.; other rubber footwear by $3,087,288 or 12.5 per cent., whilst other rubber goods decreased in value by $687,000 or 5.2 per cent.

More Plants Operating

Reports were received by the Bureau from 44 establishments, of which 29 were located in Ontario, 13 in Quebec and two in British Columbia. Listed according to products the number of factories manufacturing tires only was four, tires and footwear two, and tires and other rubber products seven. The number making footwear only was seven, footwear and other rubber products, two, whilst those making rubber products other than tires and footwear were 22 in number. In aggregate there was an increase of five plants reporting in 1927 as compared with the preceding year.

The amount of capital invested in the rubber industry last year was $66,266,000, as compared with $62,661,000 in 1926. Of the total investment yast year the rubber tire section contributed $51,205,000 and the footwear section $15,061,000. Fixed capital in the industry as a whole amounted to $37,513,000 and working capital to $28,752,000.

There is comparatively little difference in the value of exports and imports of rubber and rubber goods. During the calendar year 1927 imports were valued at $27,987,000. For the same period exports totalled $28,000,000. Of the imports by far the largest proportion were represented by raw rubber, while pneumatic tire casings accounted for well over half of the exports.

Details of exports show that the United Kingdom is Canada's best customer for rubber products. The New Zealand is next in importance, followed by Argentine, British South Africa, British India and Brazil.

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Besco Coal Production Shows Satisfactory Gain

From Our Own Correspondent

MONTREAL.—Production of the British Empire Steel Corporation collieries for the month of October reached a total of 529,412 tons, an increase of 37,000 tons over the previous month and 66,924 tons greater than the output for the corresponding month in 1927.

Dominion Coal Company mines raised 378,120 tons; Mainlands 89,606; Sydney Mines 71,686. Dominion No. 2 Colliery with 78,499 tons led all the mines in individual production. Number 1B was a close second with 70,782 tons.

W. C. Pitfield Forms New Investment House

W. C. Pitfield, who for many years was vice-president and general manager of Royal Securities Corporation, has formed the new investment banking firm of W. C. Pitfield & Company. The head office will be in the Royal Bank Building, Montreal, and will be opened about the 15th of November.

Mr. Pitfield is a director of many prominent public utility and industrial companies, including Ottawa Light, Heat & Power, Ottawa Electric, Calgary Power, International Power, Nova Scotia Light and Power, Donnacona Paper, Fraser Companies, British Columbia Pulp & Paper, Rolland Paper, Windsor Hotel and Moirs Limited.

British-American Brewing Declares 62½ Cent Dividend

British-American Brewing Corp., of Windsor has declared a dividend of 62½ cents per share on the 60,000 shares of Class "A" stock outstanding. This is at the rate of $2.50 per annum, which is the preferential over the 60,000 shares of Class "B" stock.

The company recently has completed an ale plant at cost of $110,000 and it is understood that the demand for ale and beer in the border districts is growing rapidly. The stock at one time sold at $33, but is now changing hands at about half that figure.

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Gotfredson

Automobile Industry in Canada

OCTOBER SETS UP NEW HIGH RECORDS FOR AUTO PLANTS

Hup., Graham-Paige, Nash, Packard All At Peak

Daily production of the Ford Motor Co., including United States, Canadian and foreign plants, is reported to be close to 6,000 cars and trucks. For the month of October production in the United States reached a total of 106,204 cars and trucks and the Canadian and foreign output was in the neighborhood of 46,870 it is said. This brings the United States output for the year to 568,130 units and the world output to 615,000 units.

World employment of the Ford Motor Co. now totals 186,314, a new high figure. In Canada the company employs 9,657, in the States 170,537 and in foreign countries 6,120.

Hupp Sets October Record

Another record was reached by Hupp Motors for the month of October. For the ninth consecutive month, shipments exceeded any corresponding period in the company's history. Shipments totaled 4,129 cars, 20 per cent. more than the record established in 1922, and 71 per cent. greater than October, 1927, when 2,416 cars were shipped.

For the year 1928 to the end of October the company have shipped 61,121 cars compared with 32,322 for the same period last year, an increase of 89 per cent. The year 1928 has already seen shipments 15,695 in excess of the previous record year of 1926 and with two months still to go.

Hupp's unfilled orders carried over into November numbered 1,367 cars, it is said.

Graham-Paige Production is Up

Graham-Paige Motors Corp., produced 4,921 cars in October as compared with 1,364 cars in October, 1927. In addition a new record was established for that month, the previous record being 3,253 in 1926.

For the ten months, output totals 70,406 as compared with but 18,800 for the same period last year, and this increase in business has necessitated the additional plant facilities. The present construction program which is to be completed in January, will increase the output more than 600 cars per day, it is said.

"400" Series Helps Nash

Nash Motors Co., October production exceeded 17,200 cars, an increase of 10,000 cars over October last year it is reported. Since July, following the introduction of the new "400" series, Nash has been establishing monthly production records. To the end of October the shipments of the new model total 92,200 units. It is expected that for the fiscal year which ends November 30, the company's output will exceed 140,000 units and be in excess of the record year 1926 when the 137,376 units were turned out.

Auburn Automobile Co. reports largest October business in its history with shipments totaling 1,306 cars, made up principally of phaetons and cabriolet models. The company has not been able to supply cars in sufficient quantity to fill orders to date.

Packard Also Creates Record

Packard Motor Car Company established a new monthly shipping record in October. Shipments totaled 5,802 cars as compared with 4,354 cars in October of 1927. This represents an increase of 1,448 cars or 33 per cent. The previous record month was August of this year with shipments of 5,001 cars.

From January to the end of October the company's shipments numbered 40,835 cars as against 28,678 for the same period last year, an increase of 12,157 cars or 42 per cent. The November schedule calls for an output of about 5,500 cars it is said.

New Offices for Durant

New administrative building of Durant Motors of Canada, Ltd., now being erected immediately west of the present offices at Leaside. It is expected that this building, comprising two full stories and basement, will be ready for occupancy in about three months and in time for the rush of the new season's business. Measuring 177 feet in length and 42 in width it will house the executive offices and the space now occupied as such will be made available for production and service.

BESCO PRESENTS NEW TARIFF NOTE ON COAL IMPORTS

Amplifies Contentions in Brief Submitted Before

From Our Own Correspondent

MONTREAL. — A new brief has been filed by the British Empire Steel Corporation with the Tariff Board on the various problems connected with the coal industry.

This is an expansion of that presented some weeks ago when the company associated itself with the Canadian Gas Association in urging removal of discrimination in the present tariff on coal imported from the United States for coking purposes.

At that time considerable opposition developed to the application, especially from the Steel Company of Canada. It is to the advantage of Steel of Canada to have the present tariff unchanged, as it imports coal for coking purposes from its own mines in the United States.

Brief Summarizes

In its new brief, Besco summarizes its demands and contentions as follows:

"The coal industry and the naturally related steel industry are peculiarly vital in their importance to Nova Scotia and, through Nova Scotia, to Canada. The coal industry is one of relatively low protection and is in justice entitled to retain that protection, as long as a general system of protection to labor applied to industry in Canada is maintained. The coal industry is subject, on account of the over-expanded and chaotic production of coal in the United States to a degree of competition which is abnormal.

"The policy of rebating the duty on coal imported for conversion into coke for metallurgical use constituted discrimination against the users of Canadian coal for similar purposes. The encouragement offered, under drawback item 1049, to the importation of foreign coal for coke-making purposes operates, in default of an equally powerful encouragement to the use of Canadian coal in the making of coke, as a discrimination against and as a discouragement to the Canadian coal industry.

"These discriminations should be removed by putting immediately into effect the recommendations of the commission in Maritime rights that a bonus of 50 cents per ton be paid on Canadian coal converted into coke for metallurgical purposes, and by providing for the payment of a similar amount on coal converted into coke in by-product coke ovens or by any other process. The principle should be established that if it is deemed wise to grant a drawback of the duty on bituminous coal when used for a specific purpose an equal and compensating bonus should be paid to Canadian coal when used for the same purpose."

EQUIPMENT ORDER IS BUT FORERUNNER

National Steel, Canadian and Eastern Car Receive Large Orders

From Our Own Correspondent

MONTREAL.—The combined equipment orders of the Canadian Pacific and the Canadian National Railways comprise over 4,000 cars, the business being distributed among three companies. The nature of the contracts awarded, which is given below, constitutes a large volume of business and should keep the equipment companies working at capacity for many months. Moreover, with both roads it is certain that these orders are but the forerunners of more to be placed at a later date.

In the order for 500 refrigerator cars awarded to Eastern Car, 150 of these will be fitted with wire baskets for handling ice. These cars are especially designed to handle bananas, as the operations of the new Canadian National steamships between Canadian and West Indian ports are expected to increase the trade in this fruit to a considerable extent. Five single room sleeping cars are included in the order for 30 standard sleepers awarded to the Canadian Car by the National lines, an innovation for which the latter road was responsible some months ago.

The contracts awarded the equipment companies have been placed as follows:

National Steel Car

C. P. R.	C. N. R.
15 First Class Coach frames	25 First Class coaches
15 Dining Car frames	750 box cars (50 ton)
250 Freight Refrigerator cars	
250 Freight Refrigerator Cars	

Canadian Car

29 Sleeping car frames	1600 Box cars (50 tons)
275 Ballast cars	30 Tank cars
	30 Standard sleepers

Eastern Car

300 Coal cars	500 Refrigerator cars
300 Flat cars	

Chrysler Names Managers to Control Canadian Sales

John C. McGuire for the last year and a half assistant sales manager of the Chrysler Corporation of Canada has been appointed to the position of director of sales. Mr. McGuire will have jurisdiction over the territory extending from Sault Ste. Marie east to the Atlantic.

A. J. Shaw has been promoted to the position of director of sales also. Mr. Shaw was formerly regional manager for the western division with headquarters at Winnipeg, and by virtue of his new position will assume complete supervision over that part of the Dominion from Port Arthur west to the Pacific.

New Gold Mining Concern

A company has been formed in Medicine Hat and secured 90 miles river front leased for gold digging purposes. Success attending working of gravel there in the early days leads to placer tests being made.

★★★★★★★★★★★★★★★★★★★★★★★★★★

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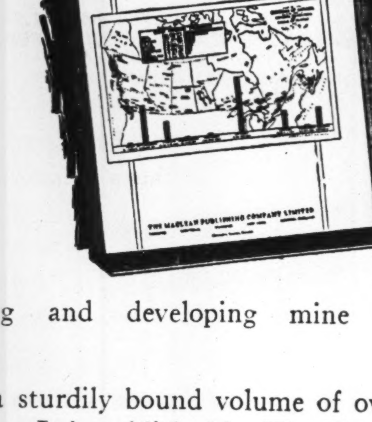

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Tariff Board Looms as Political Topic, Future is Uncertain

Mr. Bennett is Planning Serious Attack Upon It—Members May at Times go Back Into Politics—No One Knows What Will Happen

From Our Own Correspondent

OTTAWA. — The Tariff Board promises to be one of the chief subjects of discussion and controversy at the next session of parliament. In its present personnel and method of operation, the board is extremely distasteful to the Conservative party and Hon. R. B. Bennett, the leader of the opposition, while he would not make any statement in regard to what he would propose to parliament, by way of reform, gave this brief interview for the benefit of readers of The Post.

'You may say," he remarked, "that the whole question of the operation of the Tariff Board will undoubtedly engage the attention of parliament at the next session."

This does not say much but it may mean a great deal.

Just what Mr. Bennett will suggest by way of reforming this institution is uncertain but he unquestionably is very much dissatisfied with the present board and its manner of functioning, although he is, also, a firm believer in the system of employing a board for the purpose of putting the tariff upon a scientific rather than a political basis.

Moore Builds Reputation

As a matter of fact there are many distinguished men in Ottawa, cabinet ministers, tariff board commissioners and others, who are thinking long, long thoughts about the future of the board these days. Is the present board a political institution? Undoubtedly the appointees have been persons favorable to the government. And yet to an ordinary layman attending the hearings there has been absolutely nothing to indicate that politics has been a factor in the policy of the board. W. H. Moore, the chairman, has been an ardent Liberal for many years but he has indisputably built up an excellent reputation for himself here as an economist.

The one point in regard to the board which raises a doubt in one's mind is this—is it permanent? Are the commissioners able, like judges, to look forward to years of fruitful industry?

Not Permanent Personnel

The answer is in the negative. However successful the present board may be in preserving a judicial fairness in the conduct of inquiries, there can be little doubt that the present board could vanish into thin air when some general election takes place.

The board has not yet reached the point where an appointee could be ready to make it his life work. Witness Mr. McKenzie's defection to Manitoba provincial politics.

In the last few weeks, there has been a good deal of controversy in the press in regard to the board. Some of it has been well informed and some misinformed. Since the whole question is soon to come before parliament, it will be of interest to sketch the story of the board up to date and to reveal some of the problems which have arisen. When the board was created in the spring of 1926, the intention of the government was that it should make definite reports as to tariff changes. These were not necessarily for publication but for the cabinet. However, the more this matter was considered the more it was seen that the political difficulties were insuperable. The board is a creature of the government. Suppose it advised the government to make a certain change in the tariff which would be ruinous politically? Could the government decline to accept the advice, without expressing, thereby, lack of confidence in the board and dismissing the members thereof? Such a circumstance might occur to either a Liberal or a Conservative government. And would not a cabinet exposed to this risk take precious good care to have a board which would be absolutely subject to its wishes and which would never dream of submitting a report, regardless of what evidence might have been brought forward in the inquiry, unless it was acceptable to the government.

This is the reason, although there has never been any public explanation given, why the present board has not submitted written reports. The original intention has been deflected and diverted by obstacles which could not be surmounted. The chairman of the board makes merely verbal recommendations to the Minister of Finance. There is no record of its opinions in any government filing cabinet.

Hoax or Otherwise?

The average business man may consider the tariff board, in this form, a gigantic hoax, a useless time consuming device. He may have thought that the entire purpose was to take the tariff out of politics and into the more logical and saner realm of commerce. If so, he has a right to be disappointed and critical of the government.

However a little reflection ought to show him that the tariff cannot be taken out of politics by any board or tribunal, however wise its creators. It may be entirely desirable to remove tariff policy from the political arena but as a matter of hard fact it is completely and utterly impossible. The reason is obvious. The tariff is the greatest source of revenue in this country and it more vitally concerns the welfare, one way or another, of the people than any other statute affecting commerce. Ever since Canada gained the right to have a tariff it has been the foremost political issue. It has been the chief question upon which political thought in Canada has divided. The citizens of Canada, rightly or wrongly, consider the tariff of vital concern to their welfare. Some want it higher, others lower. And they believe that they control the tariff through the men they elect to represent them in parliament. If they are wronged, they have power of gaining a hearing and perhaps of compelling redress.

A Structure in Danger

Just imagine what would take place in parliament if a government brought down legislation empowering an irresponsible board, that is irresponsible to the people, to change the tariff from time to time. It would become the greatest political issue of the day and if carried by weight of the government majority, it would be revived and fought out all over again each session. Every decision of the board would be seized upon as ammunition in the struggle. The board might be praised in some quarters but it certainly would be reviled in others. It would be branded as a sort of Star Chamber where the tariff was decided behind closed doors. The slightest false step would bring down the whole structure and the government with it.

The question might easily be made the dominant issue in a general election. In short, such an act would not take the tariff out of politics. It would make the tariff more of a political issue than ever.

No Hearing Ever Closed

It may be assumed that the government did not seek to transfer the sovereign power of parliament to the board for this reason. And when it was found impracticable to have written reports from the board, the policy of just bringing down the tariff changes as before was continued. To meet the criticisms of the Conservatives the statement was made that the inquiries of the board were never completed and that anyone could ask to speak on any case, regardless of when it had been closed.

As a matter of fact it is no criticism of the board to say it is a political body. It is an arm of the government. It is there to do a certain inquisitorial job for the Minister of Finance. If it is comprehensive and fair, and denies a hearing to no one, it is doing its duty.

In these circumstances, and until such time as a government may arise which is sufficiently foolhardy and courageous to attempt the experiment of taking the tariff out of politics, whan can the present board do? What useful service can it perform?

Provides National Rostrum

There is a service which the present board has been performing, since its inception and which it will perform in a much more efficient way in the future. This is the service of providing a national rostrum from which information in regard to the tariff, the conditions prevailing in industries, and the need, or lack of it, of protection may be disseminated throughout the country.

And from the viewpoint of industries it is difficult to over-estimate the importance of this opportunity of making a public case. Heretofore the industries of Canada have been thought by large sections of the people to be tied up with the high tariff party and it has been thought that they obtained protection not because they needed it but in payment for services rendered. Now any industry may release throughout Canada all the information in regard to its operations and that information will go out under the crest of a government tribunal. If an industry were to put out information of that kind in pamphlet form, it would be treated as propaganda.

Opportunity for Education

If most of the controversy in regard to the tariff in past years has been the result of ignorance on the part of the electorate, there is now an unrivalled opportunity for education.

Until quite recently the board was not permitted by the government to function in this way, but now the entire record of all the important cases is being printed and may be obtained by the public at 25 cents per copy.

The inquiry into the cement industry is a perfect example of the manner in which general good may be brought out of the hearings of the board. The cement industry prepared an exceedingly strong brief and it was examined piece-meal before the board. Every question and answer is there and any layman could discover the true position in regard to this industry by reading the text, which will soon be available in printed form. The value of the board as a medium through which vast quantities of information may be obtained has only been realized of late. Last session when the textile schedules were revised, it was at once apparent that many members of parliament were able to deal with the government's policy intelligently, having read over the verbatim proceedings before the board. Rt. Hon. R. B. Bennett, the leader of the opposition, astounded the house of commons by the intimate knowedge he had acquired of the textile industry, through reading these reports. Indeed he placed the cabinet ministers at such a disadvantage, they having never bothered to read the evidence, that it may be said with confidence that they will never be caught napping again.

Board Not Cause of Delay

One or two criticisms are directed at the board which arise, no doubt, out of ignorance of the facts. It is said that the board moves too slowly and that manufacturers desiring protection are not able to get their applications dealt with. The case of the iron and steel manufacturers is cited as an example. What are the facts in regard to this application? A few weeks ago the case was called for public hearing by the board. The British Empire Steel Corporation, which made the first application, was not prepared to proceed and asked for an adjournment, although the board demurred on the ground that a great deal of time was being lost. Then the Algoma Steel Corporation proceeded with its application. There were representatives on hand from many large industries in Montreal, Toronto and Hamilton to oppose the application and in the end the counsel who appeared for the corporation freely admitted that the document stood in need of redrafting. He was not responsible for it, because he had not written it. An adjournment was sought in this case, also, because the applicants were not in a position to proceed. The fact is that many manufacturers prepare applications too hastily. The experience of the board goes to show that a manufacturer should take time and employ the best economists he can find and come to Ottawa prepared to answer all questions and meet all objections. This is what the cement industry did.

Asking for the Improbable

Much the same is true of the fruit growers. The decision not to proceed with their application before the board was made, not because of delay or procrastination on the part of the commissioners, but because the original application had been unwisely prepared and asked for the impossible. The growers learned at the hearings held by the board the full power of the opposition and this knowledge has enabled them to frame a new policy which they are about to take direct to their opponents. If it is acceptable there will be a submission to the board, in all probability, but it will be largely formal since there will be no opposition whatever.

LARGER PROFITS EASTERN DAIRIES ATTRACT BUYERS

Stock Scores Good Advance on Montreal Board This Week

From Our Own Correspondent

MONTREAL.—The common stock of Eastern Dairies Limited broke away from its comparative lethargy this week and with considerable buying in evidence rose to 50, a gain of some 8 points.

The apparent reason for the activity in this stock lies in the expectation of increased earnings. It is understood that the company's subsidiary in Toronto, Acme Dairy, is showing a large increase in business and the aggressive advertising campaigns conducted there, are evidence that the company is not content to rest on any laurels it has won.

Sell Ice Cream

Acme Dairy's ice cream business which was started last spring should prove to be a considerable source of revenue in the future. The company entered this field in the face of keen competition. The volume of new business obtained for its product, which is refrigerated by an original iceless method known as the Waltham process, is considered quite satisfactory.

A favorable factor from an investment angle is the diversification of the holdings of Eastern Dairies. Subsidiaries are now operating in Montreal, Ottawa, Toronto, and Winnipeg. The Ottawa company operating under its name of the Producers Dairy acquired the Hull dairy and the Shawville creamery in March of this year.

A new plant and head office was opened recently in Montreal at the Elmhurst Dairy. The plant is reported to contain the most modern dairy equipment, and bottling machinery installed will keep pace with the increasing volume of sales of the company's products.

Canadian Bronze is Making Large Profits

From Our Own Correspondent

MONTREAL.—In line with the other equipment companies, the Canadian Bronze Company is enjoying the benefit of the increased amount of business which is being placed by the railways this year. The company manufactures bronze bearings, bushings and castings, principally for passenger cars and locomotives, and supplies practically all the railway requirements of the country in these particular lines. Contracts are held with the C.P.R., C.N.R. and the T. and N.O., as well as with the Pere Marquette and Wabash lines in Canada.

Much attention has been given lately to business from sources other than the railways, and a 500 per cent. increase in this department is reported to date this year. Earnings of the company will be eminently satisfactory at the end of the year.

Canadian Bronze recently decided to split its stock two for one, and the new capitalization will consist of 100,000 shares n.p.v. with 80,000 shares outstanding.

The only other charge on the company's profits is an issue of $1,250,000 of preferred stock, and it is rumored that steps may be taken shortly to retire these shares. At present the preferred is selling at 110, its call price. The common rose to 131 before the announcement of the split and is now selling around 125 on the Montreal Stock Exchange.

Delahey Store, Pembroke, Is Bought by A. J. Frieman

A. J. Frieman, Ltd., Ottawa department store which became of public investment interest some months ago, has purchased the Delahey store in Pembroke, Ont. Further expansion of the same character is predicted.

Sales of Frieman, Ltd., have shown a steady increase over previous years, it is reported.

Executive Open For Engagement

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THE MINING CORPORATION OF CANADA, LIMITED

DIVIDEND No. 27

The Directors of this Company have declared an Interim Dividend of 12½ cents per share, payable on December 20th, 1928, to shareholders of record on December 6th, 1928.

Dated at Toronto this 7th day of November, 1928, by Order of the Board.

G. C. AMES, Secretary.

CHARLES GURD SALES ADVANCE FOR HALF YEAR

Better Business May Lead Company to Raise Dividend

From Our Own Correspondent

MONTREAL. — Charles Gurd Company reports sales of liquids only in the six months from April to September, 1928, as $348,809 and sales of $800,000 are anticipated for the whole year. Sales for August were 40 per cent. ahead of the same month last year.

The new no par stock of the company recently called for trading on the Montreal Stock Exchange is remaining fairly firm around 45. It will be remembered that the 30,000 shares of old no par stock were split two for one in July last. The high mark for the old stock was 94, which was achieved shortly before the old stock was called in.

Of the original issue of 5,000 shares of preferred stock there is now only 3,000 shares outstanding, and the company's mortgage of $300,000 was retired earlier in the year. It is understood that steps will be taken to retire the rest of the preferred as soon as business conditions warrant this move. When this has been accomplished the present 60,000 shares of common outstanding will be the sole securities of the company outstanding.

No statement has yet been made regarding the payment of a higher dividend on the new stock, but it is expected that this will take the form of a two dollar payment on the new shares as opposed to $3 on the old.

Loblaw Groceteria Sales Up 25% in October

Sales of Loblaw Groceterias for the four weeks ending October 27 were $1,241,566, as against $1,010,905 for the corresponding period in the year 1927, or an increase of $230,661 for the period or 25 per cent.

During October, three stores were opened, two in Windsor and one in Toronto. Three more stores will be opened during November—one each in Toronto, North Bay and Sudbury.

Executive

Civil engineer, speaks French and English; prominent in St. Maurice Valley district, Quebec. Experience — finance, organization, design and superintendence of works, buying and administrative control.

Would like to come in touch with a party contemplating opening his business in the St. Maurice Valley. Severing connection with present employers at beginning of January next.

Write Box 15,
The Financial Post,
Southam Bldg., Montreal

THE BANK OF TORONTO

Dividend No. 189

Notice is hereby given that a Dividend of Three per cent., upon the Paid-up Capital Stock of this Bank, has been declared for the current quarter, together with a bonus for the year of one per cent., and the same will be payable at the Bank and its branches on and after the first day of December next, to shareholders of record on November 15th, 1928.

By Order of the Board,
H. B. HENWOOD,
General Manager.

Toronto, 10th October, 1928.

C. W. Lindsay & Co., Limited

Notice is hereby given that a dividend at the rate of 6½% per annum on the Preferred Capital Stock of this Company has been declared for the quarter ending November 30th, 1928, payable December 1st, 1928, to shareholders of record November 15th, 1928.

By order of the board.
BENJ. A. EDWARD,
Secretary.

Montreal, November 1st, 1928.

C. W. Lindsay & Co., Limited

Notice is hereby given that a dividend at the rate of $0.25 per share on the Common Capital Stock of this Company has been declared for the quarter ending November 30th, 1928, payable December 1st, 1928, to shareholders of record November 15th, 1928.

By order of the board.
BENJ. A. EDWARD,
Secretary.

Montreal, November 1st, 1928.

The Consumers' Gas Company of Toronto

NOTICE *of* ANNUAL MEETING

The **ANNUAL GENERAL MEETING OF THE SHAREHOLDERS** of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on **MONDAY, the 19th DAY OF NOVEMBER, 1928,** at 12 o'clock noon.

By Order of the Board,
ARTHUR HEWITT,
General Manager.

Toronto, October 26th, 1928.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 15

Notice is hereby given that a Dividend of Seventy-five cents (75c) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending November 30th, 1928, payable December 1st, 1928, to Shareholders of record at the close of business on November 15th, 1928.

By order of the Board
D. L. ADAMS
Secretary-Treasurer.

Montreal, Que., October 18, 1928.

In the service of Industry

Factory and Warehouse Trucks

For long life and freedom from breakdown under the roughest usage specify Fairbanks-Morse Trucks. For practically every trucking purpose either from stock or built to order. Made of highest grade materials — easy moving and easy on floors —write for bulletins and prices.

The CANADIAN **Fairbanks-Morse** COMPANY *Limited*

St John, Quebec, Montreal, Ottawa, Toronto, Windsor, Winnipeg, Regina, Calgary, Vancouver, Victoria

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter. A BONUS of TWO per cent. has also been declared for the year ending 31st October, 1928, both payable on and after SATURDAY, the FIRST day of DECEMBER next, to Shareholders of record of 31st October, 1928.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the THIRD DAY OF DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 19th October, 1928.

The Canadian Bank of Commerce

Dividend No. 167

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1928, together with a bonus of one per cent., payable at the Bank and its Branches on and after Saturday, 1st December next, to shareholders of record at the close of business on the 15th day of November, 1928. The transfer books will not be closed.

By order of the Board.
S. H. LOGAN,
General Manager.

Toronto, 12th October, 1928.

Advertiser desirous of purchasing small manufacturing business with possibilities. Must stand investigation.

Box 270,
The Financial Post, Toronto

THE CORRUGATED PAPER BOX COMPANY LIMITED

DIVIDEND NOTICE

A dividend of one and three quarter per cent. (1¾%) for the quarter ending the 30th of November, 1928, being at the rate of seven per cent. (7%) per annum, has been declared payable on the 1st of December, 1928, to Preference Shareholders of record at the close of business on the 15th of November, 1928.

By order of the Board.
A. T. WHEALY,
Secretary.

Toronto, October 26th, 1928.

H. SIMON & SONS LIMITED

SIMON'S

PREFERRED STOCK DIVIDEND NOTICE

The quarterly Dividend of 1¾% on the Preferred Stock of H. SIMON & SONS LIMITED has been declared, payable the 1st day of December, 1928, to Stockholders of record as of the 20th day of November, 1928.

By Order of the Board.
A. E. M. WARNER,
Sec.-Treas.

Montreal, Que., October 31st, 1928.

Loblaw Groceterias Co. Limited

Notice is hereby given that quarterly dividends of 1¾%, being at the rate of 7% per annum on the prior preference shares of the company, and 50 cents per share on the common shares of the company, have been declared for the quarter ending November 30th, 1928, payable on December 1st, 1928, to shareholders of record at the close of business on November 17th, 1928.

The transfer books will not be closed.

By order of the Board.
D. URQUHART,
Secretary.

Toronto, November 3rd, 1928.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

East Kootenay Power Co. Limited

Dividend No. 18

A DIVIDEND of One and three-quarter per cent. (1¾%) (being at the rate of 7% per annum) on the PREFERRED STOCK of EAST KOOTENAY POWER COMPANY LIMITED has been declared for the quarter ending Nov. 30th, 1928, payable Dec. 15th, 1928, to shareholders of record November 30th, 1928.

By order of the Board.
L. C. HASKELL, *Secretary.*

October 26th, 1928.